

DUNBAR-WEST GREENVILLE REVITALIZATION STUDY

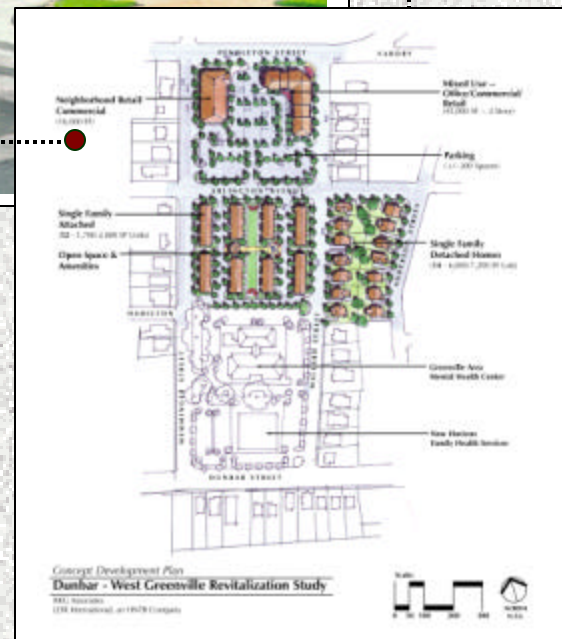
CITY OF GREENVILLE, SC

JULY 2002

Former Greenville Hospital Site



New Site Plan for Former
Hospital and Relax Inn Sites



West Greenville Commercial District

PREPARED BY

RKG ASSOCIATES, INC.
MCA URBAN PLANNING
HNTB/LDR INTERNATIONAL

1 INTRODUCTION

A. OVERVIEW

RKG Associates, Inc. was retained by the City of Greenville to prepare a market study for several commercial corridors located in the Dunbar-West Greenville area of the City. This area had been identified as a revitalization target area and the City was interested in investigating economic development strategies that would create jobs for local residents and to stimulate new private investment and business formations.

While there was clearly a need for economic development activity in the study area, RKG Associates, Inc., with its partners MCA Urban Planning and HNTB-LDR International, proposed to expand the project's scope to address some of the area's more basic community development needs such as: new housing development, housing rehabilitation, lack of neighborhood facilities, declining infrastructure, and other basic needs.

This report is presented in five chapters as follows:

1. Introduction
2. Executive Summary – Chapter 2 contains the executive summary, which provides an overview of the report's major findings and recommendations.
3. Retail Market Analysis – Chapter 3 contains a detailed analysis of Greenville's retail market trends and compares these trends to the County and State for the 1987-1997 study period. The analysis also relates these larger trends to the Dunbar-West Greenville study area, comparing localized retail demand within primary and secondary trade areas, to the availability of retail establishments and their estimated sales volume. The analysis then projects the demand for new retail space within the study area based on future population projections.
4. Real Estate & Land Use Analysis – Chapter 4 provides an overview of Greenville City and County real estate market trends and conditions relative to recent office, industrial, and residential development and leasing activity. The analysis relates these larger trends to the Dunbar-West Greenville study area and identifies where new business growth or residential development might occur in the future.
5. Revitalization Opportunities and Implementation Strategy – Chapter 5 provides an implementation strategy for revitalizing the Dunbar-West Greenville study area, including a detailed implementation matrix denoting the timing, cost, and

implementation partners responsible for carrying out each task. The chapter also includes six artist renderings of important redevelopment or public improvement areas, which depict how these areas might look in the future if redevelopment is successful.

A number of graphics, maps, pictures, and tables are presented in the body of the report to articulate the major conditions, findings, and recommendations.

2 EXECUTIVE SUMMARY

A. RETAIL MARKET ANALYSIS

Despite strong retail sales and establishment growth and sales productivity in the Greenville area over the past decade, the Dunbar-West Greenville study area has not captured its fair share of this growth. The fundamental demographics of the study area do not support expanding retail opportunities, but it is obvious that study area residents are currently underserved in terms of the quality of neighborhood retail offerings. The following findings reflect the current and future retail trade environment in Greenville, Greenville County, and the Dunbar-West Greenville study area.

- Strong Retail Sales Trends - The City of Greenville has realized exceptional retail growth over the 1987 to 1997 time period with average sales per store outperforming, in many cases, the averages for the State and the rest of Greenville County.
- Retail Sales Shifting from the City to the County – There is a shift occurring in consumer spending from the City to the outlying areas of the County, as retailers build more modern and expansive stores at key suburban locations, closer to the critical mass of the more affluent households and convenient to commuting patterns. The amount of retail sales that the City has captured has diminished across all store types during the ten-year period in relation to the increase in the rest of the County.
- Trade Area Household Characteristics - The 1,970 households in the Primary Trade Area (PTA) are mostly older, African American and renters with comparably lower incomes, since median household income for the PTA is roughly 64.9% lower than for the entire County. The 6,420 households in the Secondary Trade Area (STA) are mostly older, but have slightly more income than those in the PTA, although they are also considered low income, since the median household level is 45.1% lower than for the entire County. In addition, households in the STA are mostly white, with a higher percentage of residents with Hispanic origins. There is also a disparity in home ownership, since most of the households in the STA own their homes while PTA households tend to rent.
- Loss of Trade Area Households Equals Loss of Retail Demand - The Primary Trade Area (PTA) had an estimated 1,970 households in 2001, which reflected a 17% decline from 2,360 households in 1990. The 1990 figure was 8.9% lower than the nearly 2,600 households in 1980. The STA had an estimated 6,420 households in 2001, representing a 5.3% decline since 1990. This area also experienced a decline in household count (3.8%) between 1980 and 1990. In contrast, households in all of Greenville County increased by 25.5% between

1990 and 2001, following a 21.0% increase during the 1980s. This decline in the number of local households has resulted in a decline in household demand for retail goods. In fact, the trade area's overall demand for retail goods in 2001 is less than it was in 1980.

- Limited Consumer Demand Tied to Lower Household Incomes - The resident consumer demand for selected retail uses in the study area appears soft, primarily due to the low-income characteristics of the households. In fact, total consumer spending for selected store types is \$88.6 million, which equates to roughly \$10,600 per household in the combined market area. The local market could support about 373,700 SF of retail space including roughly 85,000 SF in the PTA.
- Retail Supply v. Demand - The PTA and STA appear to have an adequate supply of retailers relative to current retail demand. In fact, the market is likely oversupplied based on the statistical analysis. This situation is further exacerbated when the vacant space is included. Opportunities for retail development in the PTA appear limited due in part to the very low-income status and limited spending potential of its households. In addition, a significant supply of retail exists within the STA that is capturing any excess demand. If any new store, such as a discount general merchandise store or a grocery store, should open in the PTA, it likely would take sales away from the other businesses currently in operation, rather than increase the market potential. In addition, any store that builds new likely would require a sales potential much higher than is available in the market.

Conclusions

Perhaps the best strategy for the City to take is one aimed at retaining existing business while improving the vitality of existing merchants through training and consumer awareness. At the same time provide incentives for local entrepreneurs to establish niche businesses in some of the better quality vacant space. Attracting medical uses is another viable option, given the proximity of the market to St. Francis hospital. In addition, improving the condition of key areas in the PTA by removing blight and abandoned buildings, and creating additional parking, could improve the potential for future investment.

As discussed, there is an active retail community that is serving the local households. It should be a priority to maintain this retail base, while improving the productivity of individual businesses and fostering the development of some new niche businesses. Locals likely would welcome a local hardware store, drug store, or supermarket. However, it would be exceedingly difficult to justify financially, given the weak economic indicators and the significant competition in the broader region. These factors may require the City to provide incentives or inducements to attract such businesses to the study area.

While the demand is not readily apparent, ethnic or culturally specific restaurants may be another area of opportunity. In any event, better marketing and promotions will be needed to bolster the local market, as well as improved communication and joint advertising between the existing merchants. Creating a better perception through beautification and blight removal in the area may help stimulate more traffic, and therefore demand.

B. REAL ESTATE MARKET TRENDS AND LAND USE ANALYSIS

The Dunbar-West Greenville study area provides a number of real estate development and redevelopment opportunities for the City of Greenville and the private sector. A number of key parcels are either available for redevelopment or they are in a period of transition. How these properties are utilized in the future could set the tone for neighborhood revitalization. Outside of the study area, the City and County have experienced significant new development activity and private investment over the past several decades. Whether some of this investment can be directed to the Dunbar-West Greenville area will depend a great deal on the actions of the City, and its ability to create new opportunities in the study area through its own investments and leadership.

Office Market

- Greenville's Office Market Softens - While economic growth in the Greenville area has been strong over the past decade, the local office market has experienced some softening in recent years. The decline of "dot.com" and telecommunication firms has hurt the Greenville office market, which has resulted in increasing vacancy rates in suburban office complexes and a stabilization of lease rates.
- Medical Office Presence in Study Area - The study area consists of roughly 60 office properties, containing 296,600 SF and covering 32 acres. Nearly 37% of these properties consist of medical office buildings, which are located near St. Francis Hospital off Dunbar Street, and along Pendleton, Sumner, and Vardry Streets. The number of medical office uses in the study area has declined sharply in recent years, due to the relocation of the former Greenville General Hospital during the 1990s.
- Social Services Clustering in Study Area - A number of social service agencies and faith-based groups have moved into office properties located along the Pendleton Street corridor in higher visible sites. While there is a significant demand for human services in this part of the City, the number and high profile location of these agencies has contributed to a negative perception that study area residents are reliant on these services.

Industrial Market

- Industrial Vacancy Rising - Industrial vacancy rates in 2000 approached 10%, up from 9% in 1999. Higher vacancy rates have been seen in the R&D/flex market. However, since 1998 vacancy rates for standard industrial properties have risen slightly from a rate of 8%, while R&D/flex¹ space has declined from a rate of 15%. Projections suggest that speculative building will decline sharply, which will increase absorption and bring down vacancy rates.

¹ Flex Space typically refers to single story buildings that may have 10- to 22-foot clear ceiling height with dock height and drive-in loading, and extra parking. These buildings may include a variation in space utilization, ranging from office and retail through distribution, light industrial and occasional heavy industrial uses. They are designed to allow conversion of industrial units to a high percentage of office space.

- Study Area Industrial Properties Suited for Small Users - The most significant concentration of industrial buildings in the study area is located near the West End, at Wardlaw, Rhett, and North Markley Streets, where a number of warehouse and industrial buildings are located along the rail line. Several of these properties are available for lease and range in size from 5,000 SF to 20,000 SF. These buildings are older but appear to be in fair condition and could accommodate small assembly, manufacturing, or repair/machine shop operations. Previous planning efforts have identified this area for high density residential (urban lofts), wholesale/retail, and appropriate entertainment.
- Study Area Offers Lower Cost Space - The market potential of study area properties is limited, but could serve the needs of cost sensitive tenants that don't mind the in-town location and don't require high quality space. With over 25% of this space remaining vacant, it's likely that some reinvestment is needed in order to make this space more functional for tenants or new end users.

Housing Market

- Growth in Multi-Family Housing - One interesting aspect of Greenville's housing supply is its growing percentage of multi-family housing units, which represented 42% of all housing units in 1990, up from 37% in 1980. While a similar trend has occurred in the County, that trend has been far less pronounced.
- Shifting Housing Demand - One of the reasons why the City has been losing ground to its suburban communities is its lack of newer, moderately priced single family housing located in stable neighborhoods. It is much easier and more cost effective for developers to build income-targeted subdivisions in the suburbs, near major employment centers, shopping, and commuting routes, with the space and amenities that homebuyers' desire.
- Importance of Rental Property Owners - Given the fact that over 53% of Greenville's housing units are occupied by renter households, the future of the City's neighborhoods, and the stability of its residential tax base, will depend greatly on the actions of landlords and managers of rental housing communities. Their ability to upgrade and maintain their properties in the future is vital to the continued health of the community and the City's ability to retain and attract productive citizens to Greenville.
- Study Area Infill Development Potential - One of the study area's greatest assets is its inventory of vacant and undeveloped parcels. An analysis of property assessment records shows that there are 492 vacant parcels in the study area that could be redeveloped.

Crime Trends

- Study Area Crime on the Decline - Relative to crime trends, the police department reports that there has been a 25% decline in criminal activity over the past five years, as the total number of offenses have dropped from 2,200 in 1997 to roughly 1,600 in 2001. Only vandalism and larceny have increased since 1997.

- Negative Perceptions of Crime are Creating Disincentives - Despite recent reductions in crime activity, the City and its residents need to do much more to reduce crime in the study area. Although local perceptions may be worst than reality, it is perceptions that will influence the visitation and buying decisions of future homeowners, developers, and customers. In order to counter these negative images, the City and Dunbar-West Greenville residents and businesses must begin communicating a more positive message about the study area and its people, businesses, and institutions.

Conclusions

While very little development activity has occurred in the Dunbar-West Greenville study area, the potential exists for this to change. However, more effort is needed to change negative perceptions about the area as an unsafe or unstable part of the City. While the City undertakes the redevelopment of properties like the former Greenville General Hospital site and the Relax Inn property, neighborhood associations, property owners and local organizations must attend to such things as neighborhood crime watches, clean-up programs, home repair, and positive public relations. Until local perceptions about the study area change, it will struggle to attract any new investment.

C. REVITALIZATION OPPORTUNITIES AND IMPLEMENTATION STRATEGY

Neighborhood revitalization will require the City to take an active leadership role in creating opportunities for private and nonprofit groups to pursue a variety of project initiatives.

- Important Redevelopment Opportunities - The most important parcel in the study area is the former Leed's Lumber site off Pendleton and Augusta Streets. This large property has the potential to support a catalyst development that could re-ignite revitalization efforts in the West End and stimulate the reuse of several properties further down Pendleton Street. The most likely redevelopment scenario for the Leed's Lumber site would be a mixed-use development with a commercial and residential mix. Professional office space, back-office space, and perhaps an urban retailer use might be possible under the right conditions.

In 2001, the City purchased the Relax Inn property and razed the building to allow redevelopment to occur. Coupled with the demolition of the former Greenville Hospital site, these two sites have the potential to support a catalyst development that might spur other projects in the neighborhood.

- Relax Inn Site Redevelopment - While there is no identifiable and certain market demand for the Relax Inn site, RKG Associates has identified a program of uses that is designed to respond to some of the study area's basic needs for job creation, public recreation, and neighborhood shopping and services. In order for these projects to occur, the City will have to take an active, development partner role to market this site to prospective retail and office developers.

Development Program:

- Pharmacy/Neighborhood Grocery Store (12,000-15,000 SF)
 - Professional Services Incubator (12,000 SF of office space)
 - Greenville Wellness Center (i.e., a privately operated physical therapy center, sports medicine, natatorium, basketball and tennis, etc.)
 - Gateway Landscaping Along Road Frontage
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- Need for New Study Area Households - Despite the mental health facility that is being constructed on the Dunbar Street end of the site, the former Greenville Hospital property is residential in character and is surrounded by single-family homes and a senior housing development on Memminger Street. One of the greatest needs of the study area is the introduction of new households; both owner and rental occupied. Equally important is the need for new market rate housing that will diversify the neighborhood's housing stock.
 - Greenville Hospital Site Redevelopment – The proposed development program for the hospital site and the east block at the corner of Arlington Avenue and Mallard Street includes:

Proposed Development Program:**1.) General Hospital Site (+/- 5 acres)**

- Apartment Style Residential (20-30 units per acre)
- Open Space (e.g., public green, walking paths, neighborhood playground)
- Mid-priced townhomes with garages
- Senior Assisted Housing

2.) Arlington/Mallard East Block (+/- 2.6 acres)

- Single-family homes on ¼ acre lots
- Bungalows on Small Lots

While this development program is considered speculative, it is believed that a developer could be attracted to the site as long as the City remains a partner in the project. Initially, the City should issue a formal request for proposals that respond the City's development goals for the area. This should be done in concert with redevelopment planning for the Relax Inn site. Since the City owns the land, it is in a position to offer the land at a reduced price to drive down the sales price and lease rates charged to future residents.

- Neighborhood Revitalization Priorities – The City of Greenville has recently completed a revitalization plan for the Green Avenue neighborhood. Under this plan, the City proposes to acquire 85 parcels, accompanied by the demolition of 74 structures and the construction of 96 market rate and affordable homes, as well as the rehabilitation of 48 owner- and renter-occupied units. This project will be completed in two phases and will offer a variety of housing types to create ownership opportunities for a wider range of households. The estimated cost of the project is approximately \$12.2 million, which includes property acquisition, demolition, relocation, infrastructure improvements, housing rehabilitation and

home construction activities. The City is also completing a revitalization plan for the West Greenville Neighborhood that includes four phases to create new and renovate existing homes to serve a variety of needs and incomes.

Conclusions

In order to be successful in revitalizing the Dunbar-West Greenville study area, the community must accomplish the following:

1. Improve Public Perceptions – Underpinning all revitalization opportunities will be the public's perceptions of the Dunbar-West Greenville area as a place to live, work, and recreate. If the area is not viewed as safe and appealing, it will be difficult to attract new homeowners, renters, business owners, and others to invest in the neighborhood.
2. Continue CDBG-Funded Neighborhood Revitalization Efforts – The City must continue to implement its neighborhood revitalization projects in targeted neighborhoods. Over the next decade the City will focus its staff time and CDBG funds on the Green Avenue and West Greenville neighborhoods.
3. Seek Redevelopment of Key Sites – The City must create an environment for new investment to occur. The private sector will have to be supported by the City, and in some cases, enticed to invest in the study area. The redevelopment of the Leeds Lumber, Relax Inn, and Greenville Hospital sites are central to revitalizing the Dunbar-West Greenville area.
4. Seek New Partnerships – The City cannot accomplish its revitalization goals without strong partners in the private and nonprofit sectors. The City must reach out, or in some cases, create new partners if they do not exist. One example is the need for an active community development corporation (CDC) to work in partnership with the City on neighborhood-based community development projects.

3 RETAIL MARKET ANALYSIS

A. DESCRIPTION OF DUNBAR / WEST GREENVILLE STUDY MARKET AREA

The City of Greenville, having a population of 56,000 people (Census 2000), is located in the northwestern portion of the State of South Carolina. Major access to the City is from Interstate 85, which is about five miles south of the downtown, as it traverses Greenville County. The City is situated between the two major regional centers of Atlanta, Georgia and Charlotte, North Carolina, which are both roughly two to three hours driving time away.

The study area is located on the west side of the City of Greenville and begins less than a mile from the downtown. It is bounded by a few major corridors in the City and the County, including Augusta Street, which is an extension of Main Street from the downtown, and White Horse Road, or Route 25, that runs through the west side of Greenville County. In addition, Augusta Street intersects Mills Avenue to the southeast of the study area, which in turn becomes I-185, and intersects I-85 farther to west.

B. TRANSPORTATION ACCESS AND TRAFFIC COUNTS

Only two major arterial roads run through the study area. The first is Pendleton Street, which runs from Augusta Street in the West End of downtown Greenville through the entire length of the study area, and enters the County at the edge of West Greenville. The second is South Academy Street, which runs from Easley Bridge Road by Saint Francis Hospital in the County to downtown Greenville.

Average daily traffic counts for some of the major roadways in the Dunbar-West Greenville market area are presented in Table 3-1. Augusta Street has the highest traffic volume, followed by Pendleton Road. The data indicate that traffic counts in the middle of the study area peak at around 12,000 cars per day. This total is below the 15,000-car average for the eastern edge of the study area. The latter is considered as the minimum threshold by some developers when analyzing site locations for investment.

Table 3-1
Dunbar/West Greenville Market Study Area
Selected Average Daily Traffic Counts

Location	ADT [1]	Date
Augusta Street [2]	15,940	5/11/00
Pendleton [3]	11,330	Unk
Vardry at Anderson	10,120	6/12/98
Pendleton at Vardry	9,190	6/15/98
Anderson at Penderson	7,740	6/12/98
Vardry Street [4]	7,603	5/11/00
Green at Pendleton	6,970	6/12/98
Green at Vardry	6,410	6/12/98
Pendleton [5]	5,800	Unk
Green Avenue [6]	1,830	5/3/00
Field Street [4]	1,144	5/11/00

[1] Average daily traffic

[2] Intersection with Vardry & Bradshaw

[3] West of Academy intersection

[4] Between Green and Augusta

[5] East of S. Academy intersection

[6] Between Pendleton and Markley

Source: City of Greenville, Traffic Eng.

C. LAND AND BUILDING USE

The study area contains approximately 1,780 tax parcels that encompass roughly 493 acres. Approximately 25% of the land area is vacant or undeveloped land. More than 4.6 million SF of building area has been developed on the remaining 390 acres. Residential uses comprise 44.6% of the acreage in the study area, and a similar amount of building area. From a taxing perspective, residential uses account for 51.7% of the taxable assessment in the study area.

As seen in Table 3-2, commercial and industrial uses utilize about 106.4 acres, representing 21.6% of the total acreage. These uses total 1.7 million SF, or 37.1% of the total building area. Similarly, commercial and industrial uses account for 37.2% of taxable assessment. Institutional uses account for another 63.5 acres, or 12.9% of the study area, and roughly 900,000 SF of building area (18.7%). The fair market value of institutional properties represent 8.8% of the total value, however, given the tax exempt status of many of these uses, the taxable value is only 3.1% of total value. This percentage is even lower than the taxable contribution of vacant land.

Table 3-2
Land and Building Uses
Dunbar / West Greenville Study Area

Use	Parcels	Acres	Bldg SF	Total FMV [1]	Tax. FMV [2]
Residential	1,019	220.07	2,050,247	\$43,311,048	\$37,601,115
Comm./Ind.	214	106.38	1,722,539	\$26,979,968	\$25,020,660
Institutional	59	63.50	868,848	\$7,400,159	\$2,079,187
Vacant Land	492	103.31	0	\$6,054,687	\$2,574,164
Total	1,784	493.25	4,641,634	\$83,745,862	\$67,275,126
Percent of Total					
Use	Parcels	Acres	Bldg SF	Total FMV [1]	Tax. FMV [2]
Residential	57.2%	44.6%	44.2%	51.7%	55.9%
Comm./Ind.	11.8%	21.6%	37.1%	32.2%	37.2%
Institutional	3.3%	12.9%	18.7%	8.8%	3.1%
Vacant Land	27.6%	20.9%	0.0%	7.2%	3.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Total Fair Market Value (FMV)

[2] FMV of Taxable Properties, Only

Source: MCA Urban Planning & RKG Associates, Inc.

D. NON-RESIDENTIAL BUILDING SUPPLY

An inventory of non-residential properties in the Dunbar-West Greenville Study area indicates that there are more than 390 parcels comprising roughly 200 acres and improved with nearly 2.6 million SF of development. The market value of these properties is slightly more than \$36.5 million per real property records, which equates to an average value of around \$13.27 PSF of building improvement (excluding vacant land).

As shown in the Table 3-3, the study area has a variety of different non-residential building uses with about 33.5% utilized for institutional purposes, followed by another 32.0% for services (including St. Francis Hospital), 12.2% for industrial uses and 8.7% for retail business. In addition roughly 13.6% of the total building space is vacant. Another 119 parcels are undeveloped land

or parking lots in commercial or industrial zoning districts, containing roughly 30.27 acres, or about 15.1% of the 200 acres of non-residential acreage in West Greenville.

Table 3-3
Non-Residential Properties, by Use
Dunbar / West Greenville Market Area

Use	Parcels	Acres	Bldg SF	Total FMV [1]	Tax. FMV [2]
Retail	57	16.93	224,233	\$4,732,300	\$4,652,641
Services	72	49.46	827,954	\$14,345,511	\$12,776,468
Industrial/Whse./Const..	22	19.85	316,938	\$2,996,883	\$2,903,695
Institutional	59	63.50	868,848	\$7,400,159	\$2,079,187
Vacant C/I Bldgs	63	20.14	353,414	\$4,905,274	\$4,687,856
Vacant C/I Land	119	30.27	0	\$2,141,766	\$961,963
Total	392	200.15	2,591,387	\$36,521,893	\$28,061,810
Percent of Total					
Use	Parcels	Acres	Bldg SF	Total FMV [1]	Tax. FMV [2]
Retail	14.5%	8.5%	8.7%	13.0%	16.6%
Services	18.4%	24.7%	32.0%	39.3%	45.5%
Industrial	5.6%	9.9%	12.2%	8.2%	10.3%
Institutional	15.1%	31.7%	33.5%	20.3%	7.4%
Vacant C/I Bldgs	16.1%	10.1%	13.6%	13.4%	16.7%
Vacant C/I Land	30.4%	15.1%	0.0%	5.9%	3.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Total Fair Market Value (FMV)

[2] FMV of Taxable Properties, Only

Source: MCA Urban Planners & RKG Associates, Inc.

The distribution of non-residential space is predominantly utilized for St. Francis Hospital, religious organizations, and public schools. These three uses comprise 1.25 million SF, or 48.0%, of the non-residential inventory. Vacant industrial buildings rank fourth, accounting for 7.9% of the inventory, while occupied manufacturing buildings utilize 187,190 SF of building areas, or 7.2% of the supply.

Retail uses account for 8.7% of the building supply in the study area. Most of this space is located in two commercial nodes. The largest is located in West Greenville in the western part of the study area, while the second is located at the intersection of Green Avenue and Nelson Street on the eastern side. Additional retail is scattered along the commuting corridors of Pendleton Street, with a higher amount of retail west of Academy Street. There is minimal retail development along the South Academy Street corridor.

Nearly all the industrial uses are in the eastern end of the study area, adjacent to the railroad tracks. These uses separate the study area from the West End. There is also a single industrial user located behind the West Greenville commercial area near the elementary school. In addition, a 70,000 SF industrial plant, which represents over 50% of the total industrial space, sits vacant at Easley Bridge Road.

Medical offices account for 5.7% of the building area, while vacant commercial/retail building represent 3.8% of the supply. Auto-related properties account for 2.7% of supply, followed by warehouse and storage buildings (2.6%). Social and professional services utilize 2.6% and 2.5% of the building area, respectively, followed by recreation uses. The remaining uses including

personal services, vacant office space, government buildings, and furniture retail stores total 14.6% of the building space, but account for less than 2% of the total space individually.

As shown in Table 3-4, the average market value per building square foot (SF) is roughly \$13.27/SF, ranging from a low of about \$5 PSF to a high of about \$56 PSF. Professional service and liquor store buildings have a value of \$50 PSF or more, while restaurants and financial services have values of \$48 PSF and \$44 PSF respectively. At the other end of the value spectrum are industrial buildings (manufacturing, warehouse, vacant, etc.), with values between \$5 PSF and \$12 PSF.

Table 3-4
Non-Residential Buildings by Type
Dunbar- West Greenville Market Area

Use	Parcels	Bldg SF	% of BSF	FMV PSF
Hospital	12	556,286	21.5%	\$7.23
Church/Religious Org.	37	373,445	14.4%	\$8.34
Schools	3	322,515	12.4%	\$4.91
Vacant (Ind./WHS)	10	204,851	7.9%	\$9.01
Manufacturing	9	187,186	7.2%	\$11.28
Medical, Health	25	147,344	5.7%	\$36.03
Vacant (Retail/Comm.)	37	99,374	3.8%	\$21.46
Automotive & Gas	13	69,232	2.7%	\$25.76
Warehouse/Storage	6	66,976	2.6%	\$5.00
Social Services	9	66,225	2.6%	\$14.58
Professional Services	10	64,148	2.5%	\$50.82
Recreation	4	55,695	2.1%	\$14.63
Personal Services	20	49,599	1.9%	\$26.06
Vacant Office Building	16	49,189	1.9%	\$18.84
Government	5	48,957	1.9%	\$17.78
Furniture, Appliance	9	48,867	1.9%	\$10.48
Specialty Retail	12	43,516	1.7%	\$16.99
Construction	2	31,810	1.2%	\$6.02
Food Store	9	25,884	1.0%	\$23.67
Wholesale	2	22,837	0.9%	\$9.73
Apparel, Accessories	4	12,515	0.5%	\$15.52
Financial/Insurance/Real Estate	5	10,577	0.4%	\$43.92
Dining	4	9,233	0.4%	\$47.80
Trucking	3	8,129	0.3%	\$16.85
Drinking	2	6,092	0.2%	\$19.40
Liquor Store	2	3,520	0.1%	\$55.26
Drug Store	1	3,081	0.1%	\$35.62
Bldg Materials	1	2,293	0.1%	\$11.81
Cultural/Museum	1	2,011	0.1%	\$24.66
Total	273	2,591,387	100.0%	\$13.27

Source: MCA Urban Planners & RKG Associates, Inc.

These market values appear well below replacement costs, suggesting deferred maintenance, poor conditions, economic inadequacies, or some combination of each. Average market values for vacant retail stores (\$21 PSF) and vacant office buildings (\$19 PSF) are higher than the average overall (\$13 PSF) suggesting that some of these may have better economic value than other properties in the study area. Field observations confirm that current values are a reasonable proxy for condition.

E. ANALYSIS OF RETAIL TRENDS

This section identifies the baseline retail conditions for the City of Greenville, Greenville County and South Carolina. Data from the US Census of Retail Trade (1987 & 1997), such as retail sales, store counts, and productivity, were analyzed for these areas. In addition, retail store inventories were prepared in order to document existing supplies. Sales, store counts, and sales productivity are compared in the following¹ figures and tables. For analysis purposes, statistics for the City of Greenville have been removed from those of Greenville County to identify any trends in transfer of sales between these two geographies. The term Greenville County refers to the rest of the County exclusive of the City, for comparison only.

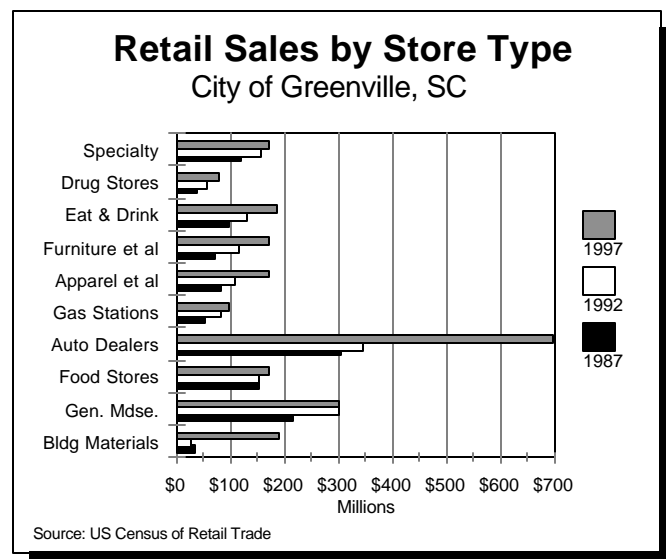
1. Retail Sales

Retail sales² increased throughout all three regions during the 1987 to 1997 period. Sales across the City of Greenville increased by about 94.4%, with the rest of Greenville County experiencing an increase of 153.6% in retail sales and the State of South Carolina exhibiting a 96.6% increase. As such, the percent increase in retail sales activity for the rest of Greenville County exceeds that for both the City and South Carolina.

Figure 3-1

a.) City of Greenville

Between 1987 and 1997, retail sales in the City of Greenville increased by slightly less than \$1.1 billion, rising from \$1.13 billion in 1987 to \$2.19 billion in 1997. This reflects a growth rate of nearly 94.4%, for all store types across the board (Figure 3-1). Sales at auto dealerships increased by \$392.6 million, accounting for 36.9% of the gain. Auto dealers in the City generated the highest sales volume of any store type during all three periods.



Sales at building material stores increased by \$153.5 million, translating into 14.4% of the gain in sales, while furniture store sales increased by \$102.7 million, and represented 9.6% of the increased sales between 1987 and 1997. Sales at eating/drinking places and apparel stores increased between \$85 and \$90 million each, as did sales at general merchandise stores during this time period. However, sales at the latter remained stagnant between 1992 and 1997.

On a percentage increase basis over the ten years between 1987 and 1997, sales at building material (492%), auto dealers (130%), apparel (110%), furniture (154%), drug

¹ Please refer to the Appendix for a more detailed table.

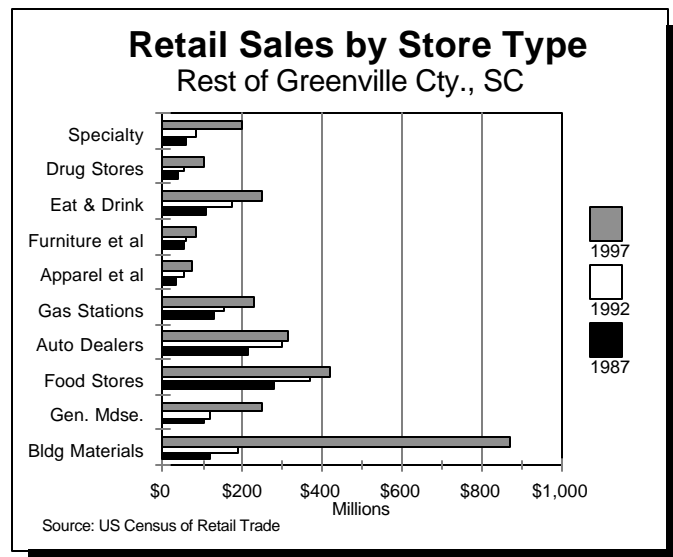
² Sales data from the U.S. Census of Retail Trade reflect sales for the year reported and not adjusted for inflation.

stores (105%), gas stations (95%), and restaurants (97%) all exceeded the Citywide average of 94.4% between 1987 and 1997. On the other hand, sales at general merchandise (41%), food (12%), and miscellaneous, or specialty retail stores (47%) fell below this threshold.

b.) Greenville County

During the same period, retail sales increased by 153.6% in the rest of Greenville County. This rate was more than 50% higher than reported for the City, suggesting the City lost market share to the County during this period. In the rest of the County, retail sales in 1987 were around \$1.07 billion and increased to nearly \$2.73 billion in 1997, a gain of about \$1.65 billion. Sales at building material stores increased by nearly \$750 million between 1987 and 1997 and represented 45.4% of the increased sales (Figure 3-2). Sales at this store type were the highest of any sector in 1997, replacing food stores for this distinction.

Figure 3-2

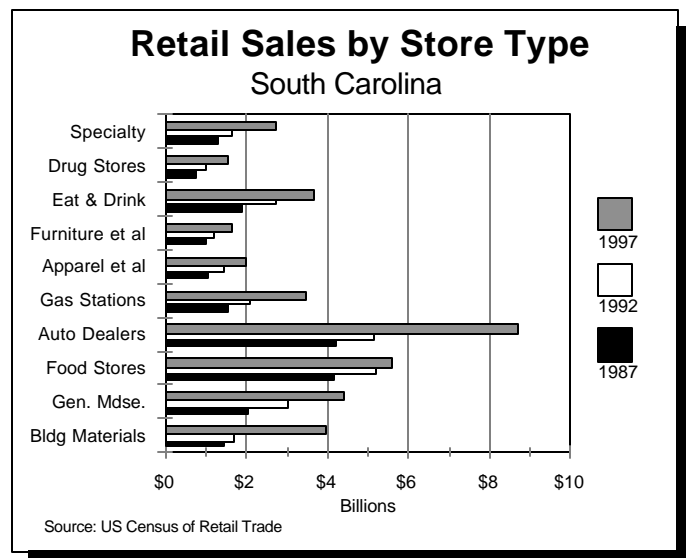


The percent change in retail sales at building materials (665.0%), specialty (268.1%), and drug stores (173.9%) all exceeded the countywide average of 153.6%. The change in sales among general merchandise stores (152.6%), apparel stores (133.3%), and eating/drinking places (133.3%) was slightly lower than the County benchmark, while the change in sales at food stores (48.6%), auto dealers (50.9%), gas stations (90.1%) and furniture stores (68.0%) fell well below the County's threshold.

c.) State of South Carolina

Retail sales grew in the State of South Carolina by 96.6% between 1987 and 1997, rising from \$18.9 billion to \$37.3 billion. Only the growth among food stores (36.3%), apparel stores (93.0%) and furniture stores (66.8%) fell below the all store average (Figure 3-3). All other store types, with the exception of eating & drinking places (97.4%) experienced sales growth exceeding 100.0% during the 1987 to 1997 period. Building materials (180.3%) and gas stations (130.3%) had the greatest gains, followed by drug stores (117.6%) and general merchandisers (116.6%). On a dollar basis, auto dealers experienced an increase of \$4.4 billion in sales, reflecting 24.0% of the sales increase between 1987 and 1997.

Figure 3-3



The greatest retail growth in retail sales (on a percentage basis) occurred in the rest of Greenville County, at 83.7%, between 1992 and 1997. Sales in all of Greenville County increased by 56.5% during this time, which was greater than the growth reported for the City (52.3%) and the State (50.6%) (Table 3-5). In 1987 retail sales in City of Greenville accounted for 51.2% of the retail sales activity in Greenville County (inclusive). By 1997 this percentage had declined to 44.6%. The following table highlights the change in total sales and market share for the City of Greenville relative to the County (as a whole) and the State.

Table 3-5
Retail Sales in \$Millions
1987, 1992 and 1997

Location	1987	1992	1997	% '87-'92	% '92-'97
City of Greenville	\$1,128	\$1,440	\$2,193	27.7%	52.3%
Rest of Greenville Co. [1]	\$1,075	\$1,483	\$2,725	38.0%	83.7%
Greenville County	\$2,203	\$2,923	\$4,918	39.0%	56.5%
South Carolina	\$18,950	\$24,743	\$37,262	30.6%	50.6%
City of Greenville as a % of					
Greenville Co.	51.2%	49.3%	44.6%	NA	NA
SC State	6.0%	5.8%	5.9%	NA	NA

[1] Excludes the City of Greenville

Source: US Census Bureau and RKG Associates, Inc.

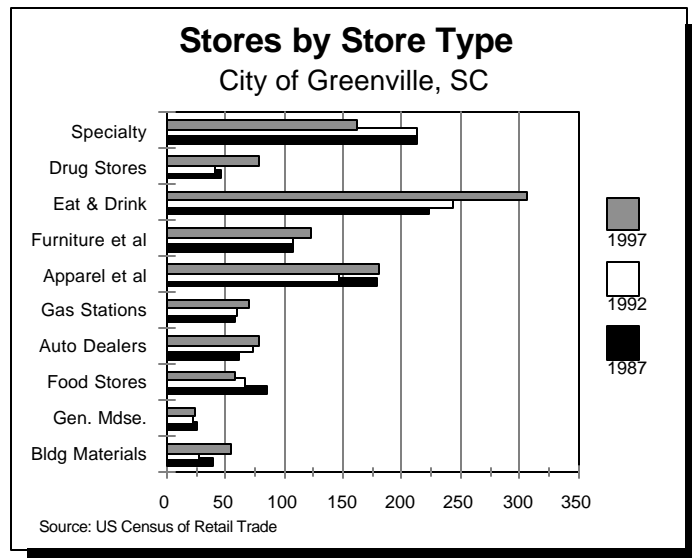
2. Retail Store Counts

Between 1987 and 1997, the rest of Greenville County led the way in new store growth at 24.9%, as compared with 10.4% for the City of Greenville and 15.2% for the State. There was a gain of 105 retail establishments in Greenville, 295 in the rest of the County and 3,326 in the State. The change in store count, by store type, was not uniform across all areas, however, the number of food stores universally declined.

a.) City of Greenville

Total retail stores in Greenville went from 1,013 in 1987 to 1,118 in 1997. Leading this increase was a 76.7% growth in the number of drug stores, increasing from 43 to 76 (Figure 3-4). Growth also occurred among building supply stores (45.9%), auto dealers (28.8%), gas stations (23.6%), eating, drinking places (38.5%), and furniture shops (16.2%). The number of food stores, general merchandisers and specialty retailers all declined between 1987 and 1997. In 1997, eating and drinking places (306), along with furniture (122), apparel (179) and specialty stores (160) made up 68.8% of the retail businesses operating in the City.

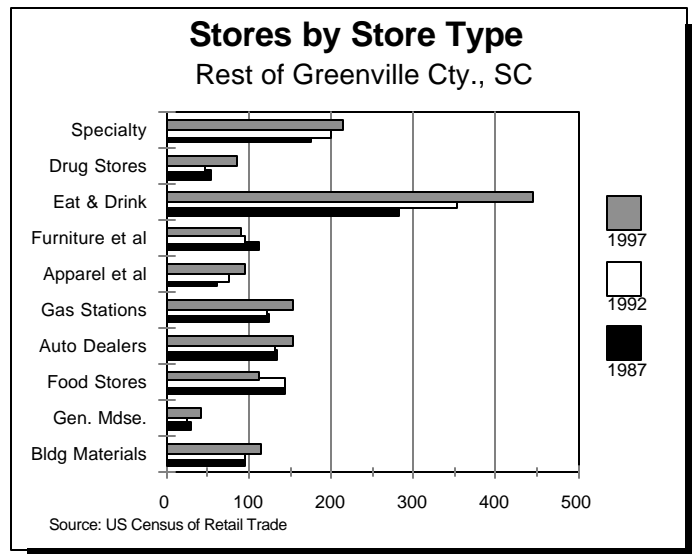
Figure 3-4



b.) Greenville County

There were 1,187 retail establishments in the rest of Greenville County in 1987. By 1997 this had increased to 1,482 establishments. As with the City the number of drug stores in the rest of the County experienced the greatest increase of 62.7%, rising from 51 stores to 83 stores (Figure 3-5). Other store types experiencing growth include building supplies (21.5%), general merchandise (44.4%), apparel stores (62.1%), gas stations (23.8%), eating, drinking places (57.3%) and specialty retailers (24.7%). Store types experiencing a decline include grocers and furniture stores. The former is similar to trends in the City, while the

Figure 3-5

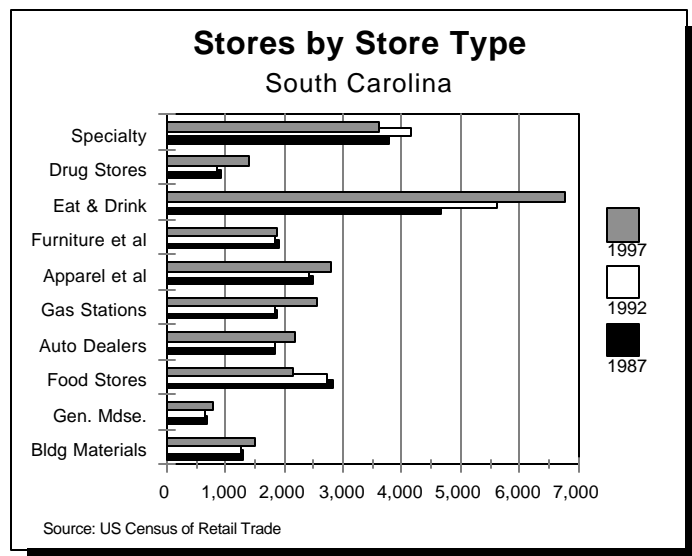


latter is opposite. The growth of specialty retailers in the rest of the County contradicts what occurred in the City, suggesting a transfer of this business-type from the City to the suburban portions of the County. This most likely occurred as new businesses followed population growth patterns into the County. In 1997, eating and drinking places (442) were the predominant store type in the County, similar to the characteristics in the City. Specialty stores (212), gas stations (151), and auto dealers (150) follow eating & drinking places, suggesting a slightly different mix in store type than the City. This due in part to the commuting patterns associated within living in the less urban areas of the County.

c.) State of South Carolina

The State experienced an increase of more than 3,320 retail establishments, from 21,859 in 1987 to 25,185 in 1997. Despite this growth, there were certain store types that experienced a net decline. These store types include food stores (-24.7%), furniture stores (-1.2%), and miscellaneous or specialty retailers (-4.5%) (Figure 3-6). All other store types experienced a double-digit percentage increase in the number of stores, with drug stores (51.7%), eating and drinking places (45.6%), and gas stations (38.4%) experiencing the highest percentage increase over the 10-year period.

Figure 3-6



In 1997, eating and drinking places (6,704), specialty stores (3,553), apparel stores (2,746), and gas stations (2,537) represented the highest number of store types in the State, which is fairly similar in distribution compared to the City of Greenville and the remainder of Greenville County.

Table 3-6 presents the retail store count for each of these areas and the change from 1987 to 1997 in five-year intervals. The number of stores in the City of Greenville declined by 2.9% between 1987 and 1992, but rebounded by 13.6% between 1992 and 1997. Although the City was the only geography to experience a decline between 1987 and 1992, the growth experienced in the other areas was relatively small in comparison to the growth experience between 1992 and 1997.

The number of stores in the remainder of Greenville County experienced the highest percentage increase in both time periods, suggesting a transfer from the City to the County. In addition, the number of stores in the City, as a percent of the County, declined in market share from 46.0% in 1987 to 43.0% in 1997. This supports the finding that store counts in the City have not kept pace with activity in the County.

Table 3-6
Number of Retail Stores
1987, 1992 and 1997

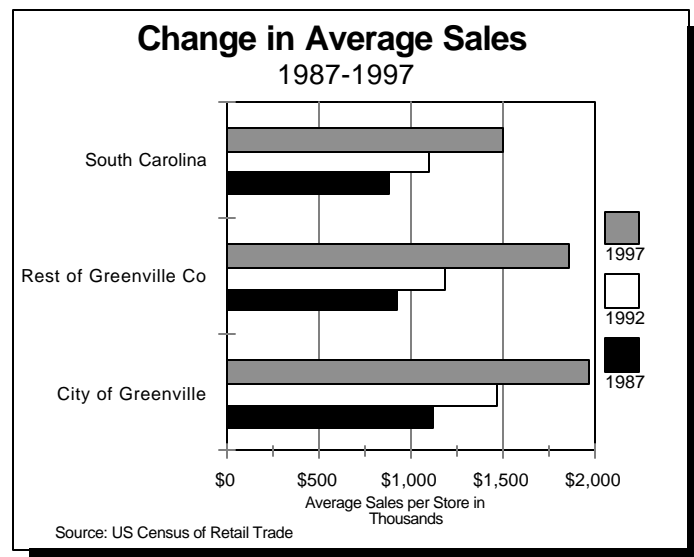
Location	1987	1992	1997	'87-'92	'92-'97
City of Greenville	1,013	984	1,118	-2.9%	13.6%
Rest of Greenville Co. [1]	1,187	1,263	1,482	6.4%	17.3%
Greenville County	2,200	2,247	2,600	2.1%	15.7%
South Carolina	21,859	22,836	25,185	4.5%	10.3%
City of Greenville as a % of					
Greenville Co.	46.0%	43.8%	43.0%	NA	NA
SC State	4.6%	4.3%	4.4%	NA	NA

Source: US Census Bureau and RKG Associates, Inc.

3. Sales Productivity

Despite losses in some store counts for each of the regions, all geographies experienced an increase in total sales productivity, or average sales per store, between 1987 and 1997. The rest of Greenville County led the way with an average increase in per store sales of 103.1%. This was followed by the City of Greenville with an increase of about 76.1% and the State with an increase of 70.1%. Despite trailing the rest of the County in average sales growth, the average sales productivity for Greenville stores consistently outperformed the County and the State. In addition, productivity was not uniform across all markets or store types; however, average sales at eating and drinking places and apparel stores universally ranked the lowest in all geographies.

Figure 3-7

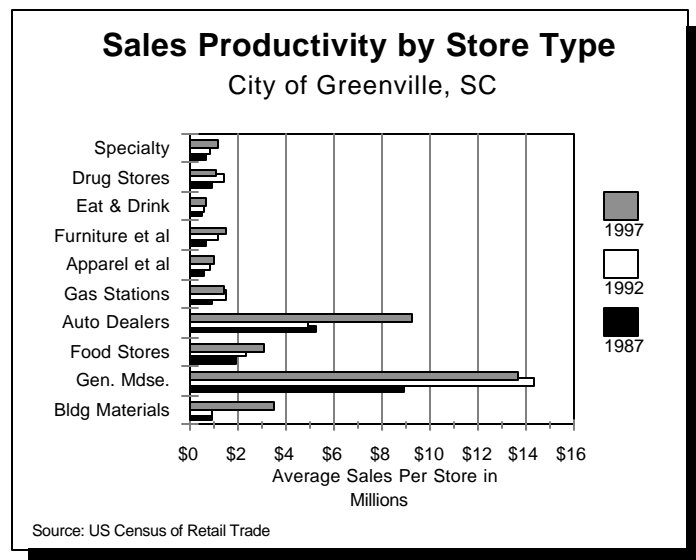


a.) City of Greenville

Between 1987 and 1997 the average store's sales increased from \$1.1 million to about \$2.0 million in the City of Greenville (Figure 3-7). This compares with an average sale of \$905,000 in the rest of the County in 1987, increasing to roughly \$1.8 million in 1997. In South Carolina as a whole, the average sale increased from \$870,000 in 1987 to about \$1.5 million in 1997. As shown in Figure 3-8, sales productivity and growth in the City and in the rest of Greenville County outperformed the State average.

Sales productivity at general merchandise stores in the City of Greenville was the highest in 1997 at roughly \$13.5 million (Figure 3-8). This was followed by auto dealers (\$9.1M), building materials (\$3.4M), and food stores (\$3.0M). Eating and drinking places (\$0.6M) had the lowest productivity, below apparel (\$0.9M) and drug (\$1.0M) stores. Between 1987 and 1997, sales productivity experienced the highest gain at building material suppliers (306.0%), followed by furniture (118.4%), apparel (107.4%) and specialty (92.8%) stores. All the other store types experienced sales productivity gains of between 40% and 80%, except drug stores at 15.7%. As illustrated, productivity at general merchandise stores declined between 1992 and 1997, as with drug stores and gas stations.

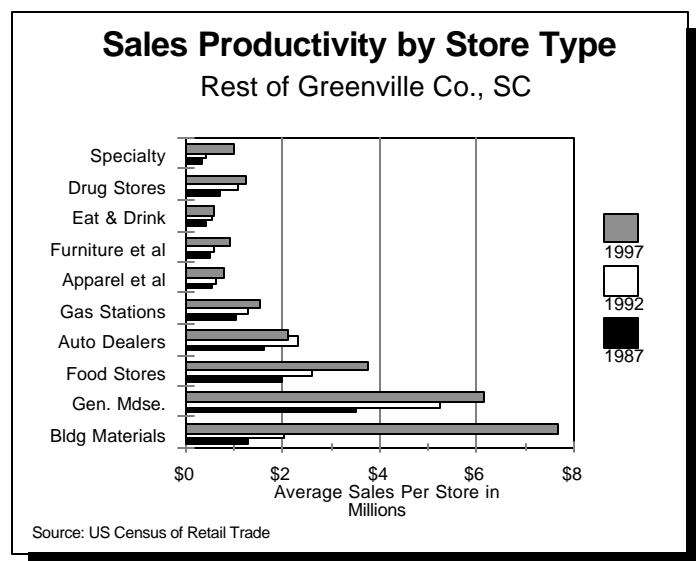
Figure 3-8



b.) Greenville County

In 1997, building materials stores (\$7.6M) had the highest sales productivity in the rest of Greenville County, followed by general merchandise (\$6.1M), food stores (\$3.7M) and auto dealers (\$2.1M) (Figure 3-9). Eating and drinking (\$0.5M) had the lowest sales productivity, below apparel (\$0.7M) and furniture (\$0.9M) stores. Between 1987 and 1997, productivity at building materials stores increased by an impressive 530%, followed by specialty retail (195%) and furniture (110%) stores. Productivity at food stores increased by 93.2%, while general merchandise stores increased by 74.9%. Productivity in 1997 was generally higher than in 1992, except for auto dealers.

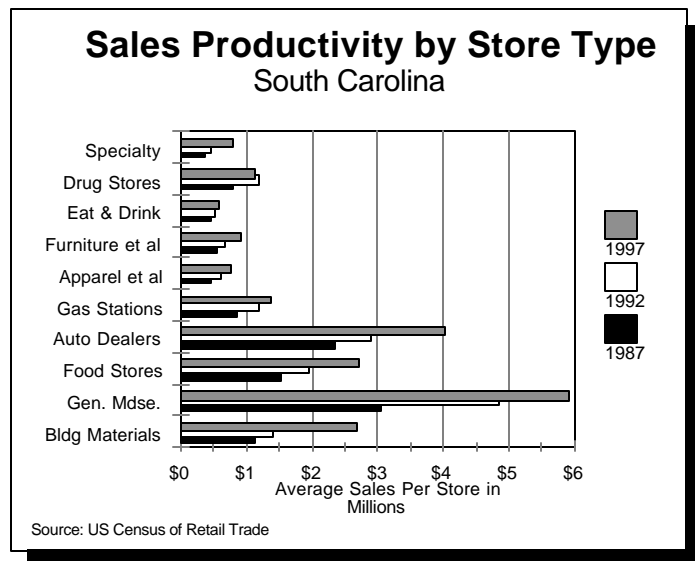
Figure 3-9



c.) State of South Carolina

General merchandise stores had the highest sales productivity (\$5.9M) of any store type in 1997 throughout the State of South Carolina (Figure 3-10). This was followed by auto dealers (\$4.0M), food stores (\$2.7M) and building materials (\$2.6M). Eating and drinking (\$0.5M) had the lowest productivity below apparel (\$0.7M), specialty (\$0.8M) and furniture (\$0.9M) stores. Between 1987 and 1997, building materials stores (143%) experienced the highest percentage increase in average sales, followed by specialty (120%) and general merchandise (95.0%) stores. The percentage increase in productivity at all other store types was between 60% and 90%, except with eating & drinking places (35.6%) and drug stores (43.5%). Drug stores were the only store type to experience lower sales productivity in 1997 than in 1992.

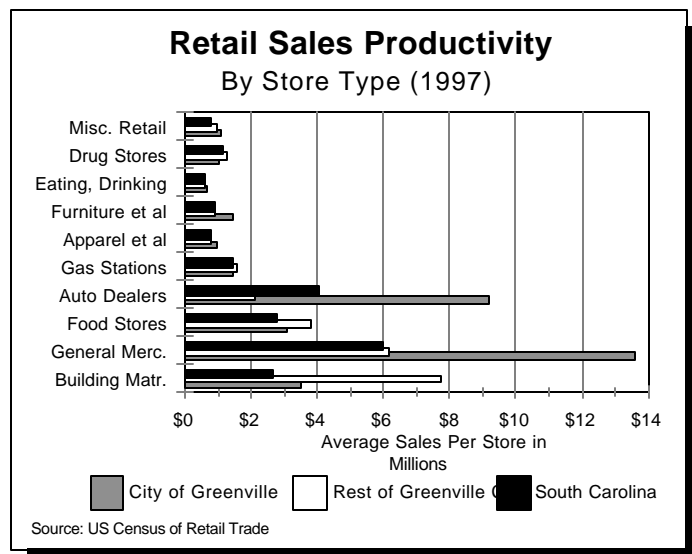
Figure 3-10



4. Conclusions

The City of Greenville has realized exceptional retail growth over the 1987 to 1997 time period with average sales per store outperforming, both the State and the rest of Greenville County. As shown in Figure 3-11, general merchandise, auto dealers, apparel, furniture and miscellaneous stores as well as eating and drinking places in the City of Greenville had the highest sales productivity in 1997 of the three regions. Sales productivity in the other categories (building materials, food stores, gas stations, and drug stores) for the rest of Greenville County ranked the highest of the three areas.

Figure 3-11



The growth in absolute sales and store counts in the rest of Greenville County was also impressive, in comparison to the City or the State as a whole. This finding suggests that a shift in

consumer spending from the City to the outlying areas of the County has resulted, as retailers build more modern and expansive stores at key suburban locations, closer to the critical mass of the more affluent households and convenient to commuting patterns.

The amount of retail sales that the City captured diminished across all store types during the 10-year study period in relation to the increase in the rest of the County. In fact, sales and store counts at general merchandise stores in the City remained relatively unchanged between 1992 and 1997, while sales and store counts in the rest of the County for general merchandise doubled during this period. This confirms that some of the retail prominence in the City has diminished over the past 10 to 15 years.

Despite this trend, sales productivity at general merchandise stores in Greenville was nearly twice the level of similar types of stores in the rest of the County or State. A main reason for the high sales productivity at these stores is the high quality of stores occupying the regional malls in the eastern portion of the City.

The shift in sales and stores between the City and County is also evident in the growth of specialty retail shops and drug stores. While the expansion of drug stores between 1992 and 1997 was fairly divided between the City (36 new stores) and the County (38 new stores), the stores in the rest of the County captured more growth in sales than in the City. As a result, the drug stores in the City simply drew market share away from other existing stores, while new stores in the rest of the County captured new market share for themselves. A notable exception to these trends was the increased activity in the City's auto dealers and furniture stores, and to a lesser extent at gas stations, eating and drinking places, and apparel stores. Finally, productivity at eating and drinking places and apparel stores universally ranked at the bottom in all market areas.

F. PRIMARY AND SECONDARY TRADE AREAS

To develop an analysis of the potential market size and consumer area for shops and services within the Dunbar/ West Greenville study area, it was necessary to define the geographic region or trade area from which the stores draw their customer sales base³. The trade area boundaries were based on a number of factors including: [1] similar retail market studies conducted by the consultants in other locations and communities throughout the US; [2] an analysis of travel times along major highway corridors; [3] the presence of natural barriers such as rivers, lakes and mountain ranges; [4] information provided through interviews/surveys with local merchants; and [5] the influence of competing trade areas on local sales; a Primary Trade Area (PTA) and Secondary Trade Area (STA) was developed.

³ A trade area is typically defined as that geographic region which could be expected to generate 65% to 85% of the total sales for a given retail facility.

For this analysis, the trade area for the Dunbar-West Greenville area is an irregular shaped area of three to five miles in width and length. It starts beyond the West End of downtown Greenville and extends about 3 miles west to beyond White Horse Road in Greenville County. It also extends about five miles along White Horse Road from Interstate 185 (Church Street/ Mills Avenue) to about one mile north of the Bramlett Road intersection. For demographic and analysis purposes, census tract boundaries were used for the actual trade area boundaries, as shown in Figure 3-12. Since portions of the trade area cross City and County boundaries, the area

was further delineated between the Primary Trade Area (PTA), which is slightly larger than the Dunbar-West Greenville study area, and a Secondary Trade Area (STA), which includes those census tracts between the PTA and White Horse Road in the County. A City census tract just east of the study area was also included in the STA, representing the revitalizing area of the West End, between the east side of the study area and downtown Greenville⁴.

Demographics for these two areas were reviewed, and compared to those in Greenville County (as a whole) for an understanding of the household trends, characteristics, and income. Then, the aggregate spending potential of the population residing within the PTA and the STA was estimated and further allocated to the types of retail goods and services, which could support any consumer sales and activity in West Greenville.

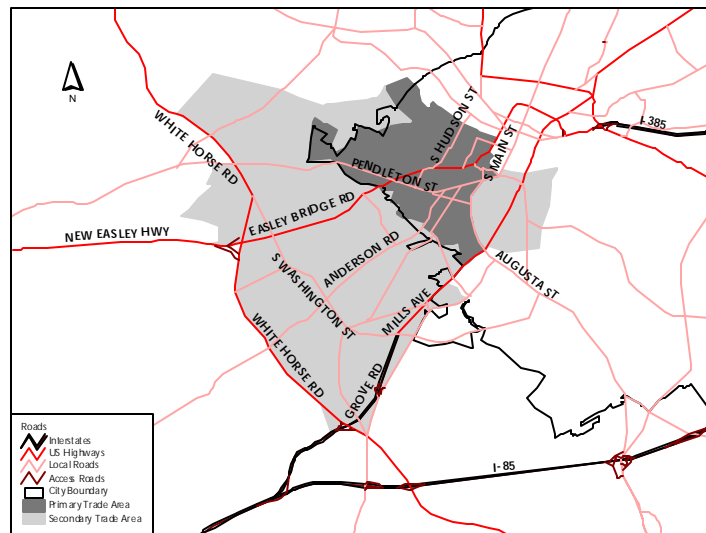
G. DEMOGRAPHIC CHARACTERISTICS OF STUDY AREA

This section presents demographic data for the PTA and STA based on U.S. Census information, and estimates by Claritas Corporation. As discussed below, the characteristics of each of these geographies are quite divergent with not only to each other but also to Greenville County as a whole.

1. Household & Population Trends

The PTA had an estimated 1,970 households in 2001, which reflected a 17% decline from 2,360 households in 1990. The 1990 figure was 8.9% lower than the nearly 2,600 households in 1980. The STA had an estimated 6,420 households in 2001, representing a 5.3% decline since 1990.

Figure 3-12
PTA and STA - West Greenville, SC

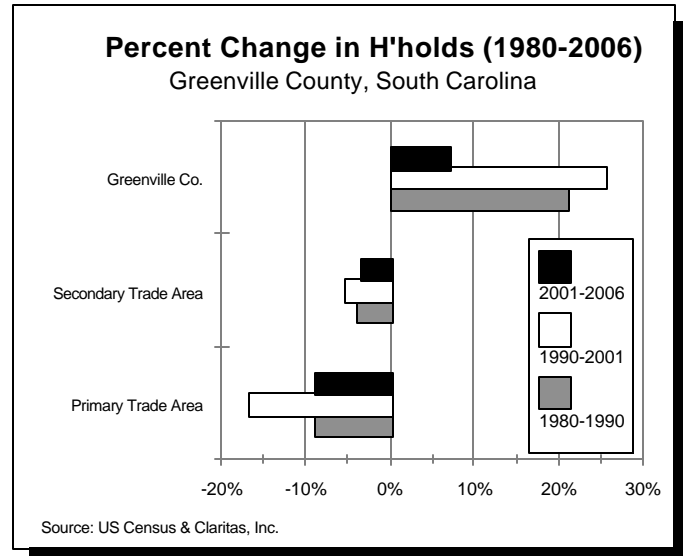


⁴ The PTA consists of census tracts 5, 6, 7, & 8 in the City of Greenville. The STA consists of the adjacent census tracts in Greenville County, 21.05, 21.06, 21.07, 21.08 and 22.02, and also includes census tract 4, which is within the City proper.

This area also experienced a decline in household count (3.8%) between 1980 and 1990. In contrast, households in all of Greenville County increased by 25.5% between 1990 and 2001, following a 21.0% increase during the 1980s (Figure 3-13).

Five-year forecasts suggest that households in the PTA and STA will continue to decline by 8.9% and 3.4% respectively, while households in the County will increase by more than 7.1% unless conditions change. These trends and projections suggest that retail development would more likely locate in the County rather than in the PTA or STA, since retail typically follows household growth, and does not lead it. These trends also indicate that market demand for retail uses in the PTA and STA have actually diminished between 1980 and 2001, as evidenced by a decline of 1,260 households during this time frame. Projections indicate the out-migration of households will continue, suggesting that conditions are still in state of decline and have yet reached a stabilizing position.

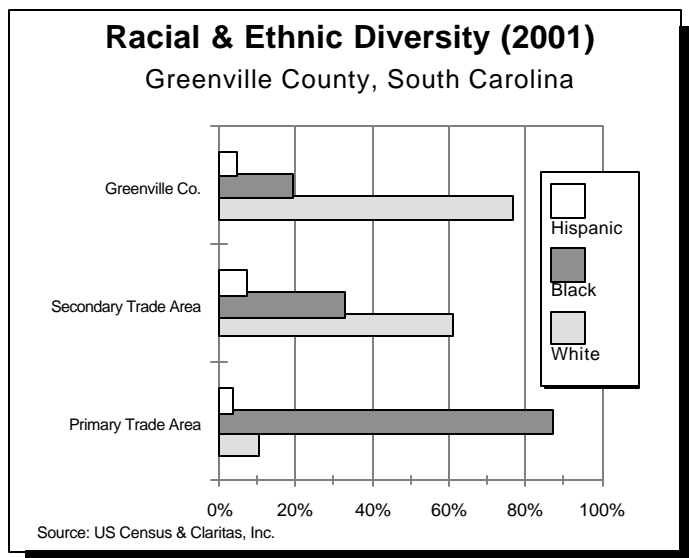
Figure 3-13



2. Racial & Ethnic Characteristics

In 2001, roughly 86.7% of the PTA was African American, in comparison to 32.3% of the STA (Figure 3-14). The percentage of Hispanic origin people (non-white, black or Asian)⁵ was 2.9% in the PTA and 6.7% in the STA. In Greenville County, 18.2% of the population was African American, while 3.9% was Hispanic in origin. The data suggest that the PTA and STA are more racially and ethnically diverse than the County as a whole. However, the mix in the STA is more in line with the County, than the PTA. A balanced, diversified population creates a variety of different retail opportunities.

Figure 3-14

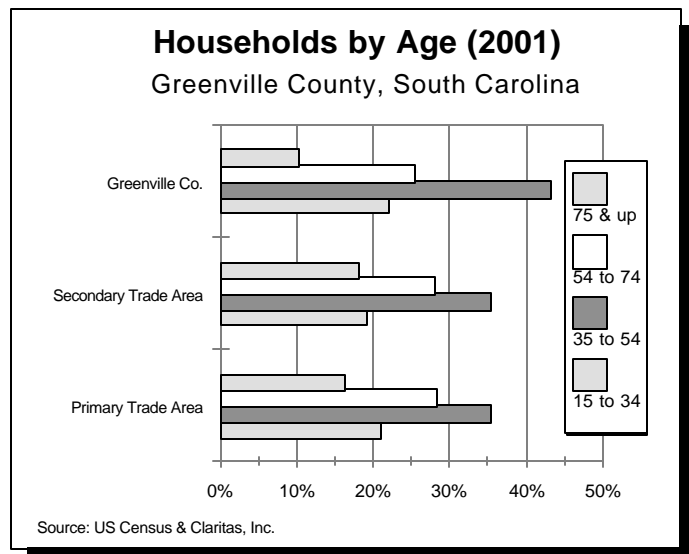


⁵ **Hispanic Origin** - Persons of Hispanic origin are those who indicate that their origin is Mexican, Puerto Rican, Cuban, Central or South American, or some other Hispanic origin. Persons of Hispanic origin may be of any race.

3. Age of Households

In 2001, roughly 35% of the heads of household in the PTA and STA were between 35 and 54 years of age, or in their peak employment years. In addition, roughly 28% of the heads of households in the PTA and STA were in the 55 to 74 age group, while another 16% to 18% were 75 years or older (Figure 3-15). These age characteristics are fairly similar between the PTA and the STA, but are quite different than the County profile. For the County, householders aged between 35 and 54 years represent about 43% of total households, while those between 55 and 75 represent about 25%. The frail elderly represent less than 10% of total households. The percentage of younger households (21.8%) in the County is also slightly higher than in the PTA (20.8%) and STA (18.9%). This suggests that the local merchants in the PTA and STA have a higher concentration of older households to market their goods and services than in the broader region.

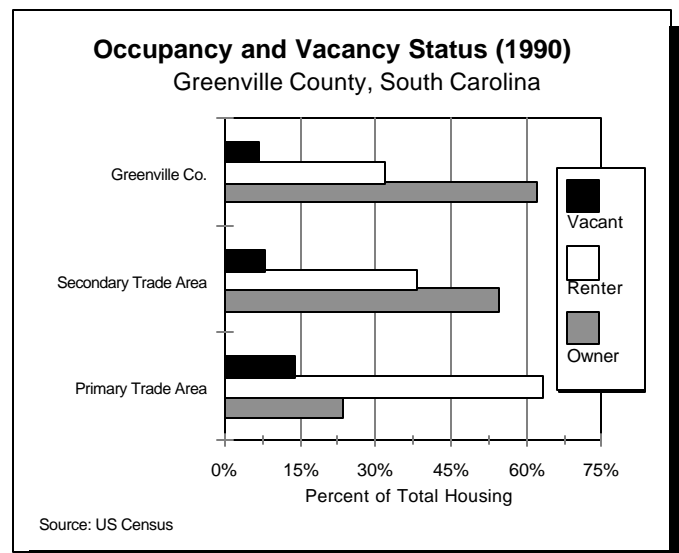
Figure 3-15



4. Occupancy & Tenure

Another indicator of neighborhood health is the occupancy status and tenure characteristic of the households. Although occupancy and tenure figures from Census 2000 are not yet available, a review of 1990 data provides some insight into past conditions. In 1990, renters occupied 63.2% of the total housing units (2,782 units) in the PTA, while 13.6% were vacant and the remaining 23.2% were owner-occupied units. In comparison, 54.3% of the units (7,310 units) in the STA had owner-occupants while renters occupied 37.8% of all units. The remaining 7.9% were vacant (Figure 3-16). The STA characteristics are more in line with Greenville County in 1990 than the PTA. In Greenville County, 61.8% of total housing had owner-occupants, while 31.6% were renters and 6.7% were vacant.

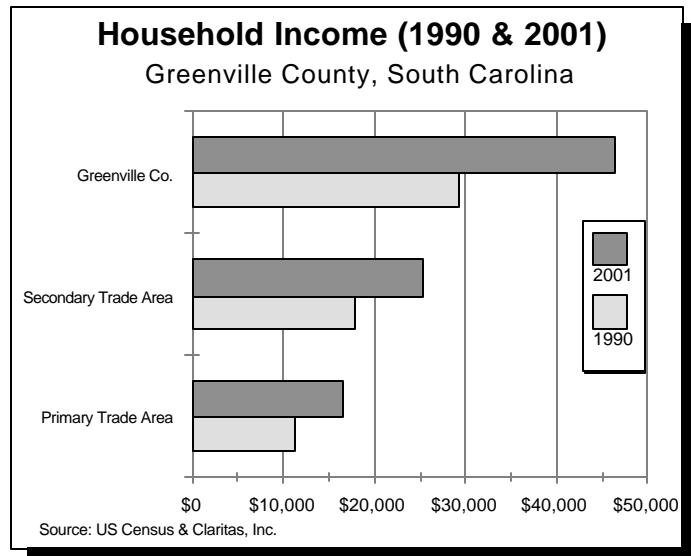
Figure 3-16



5. Median Household Income

The final indicator is a comparison of median household income for the three geographic areas. The estimated 2001 median household income in the PTA was \$16,151, which is an increase of approximately 48.4% over 1990 levels (\$10,881) (Figure 3-17). Median household income in the STA was \$25,268 in 2001, which was 43.5% higher than in 1990. This indicates that the STA's household income in 2001 is roughly 56.4% higher than household income in the PTA. In comparison, the estimated median household income for Greenville County is \$46,042, a 57.8% increase from 1990. The growth in household

Figure 3-17



income at the County level was greater than in the PTA or STA, suggesting that the disparity in incomes has increased between the County and the study areas during this time frame.

6. Conclusions

Demographic conditions in the market area appear weak in relation to those in Greenville County as a whole. There is also a disparity between households in the PTA and the STA. The PTA consists primarily of older African Americans households that primarily rent their homes and have comparably lower average household incomes. Median household income in the PTA is roughly 64.9% lower than Greenville County. Similarly, the STA households are mostly older, but have slightly higher income, although they are also considered low income, since the median household income is 45.1% below the County level. Households in the STA are mostly white, with a higher percentage of Hispanic residents. There is also a disparity in home ownership, since most of the households in the STA own their homes while PTA households tend to rent.

To this end, renter households typically have different shopping habits and needs than owner households. The income levels of PTA and STA households indicate modest spending potential. Over the next five years, households in both the PTA and STA are forecasted to decline, which is also discouraging for retail development. Stabilizing and reversing this trend, if possible, should be a focus for future revitalization of the Dunbar-West Greenville Market Study Area.

H. CONSUMER DEMAND

This section projects consumer demand within the PTA and the STA, by analyzing the aggregated spending potential for a variety of retail merchandise and services at selected store types.

1. Consumer Demand by Store Type

The estimated total consumer demand at selected stores in the combined market area equaled nearly \$104.1 million 1997. As shown in Table 3-7, only \$19.6 million, or 18.8%, of potential consumer demand for goods and services is generated in the PTA. This equates to roughly \$9,950 in annual spending per household. The 6,420 households in the STA generate the remaining 81.2% of consumer demand. In contrast, average annual spending for goods by STA households equals roughly \$13,200. Grocery store purchases represent roughly 30.5% of total demand, followed by department stores (13.5%), health and personal care (8.1%), and clothing and accessories (6.3%).

RKG Associates was able to estimate the potential supportable building area by categorizing this demand into specific retail store categories and utilizing per square foot sales data obtained from the Urban Land Institute (ULI). The consultant utilized multipliers, which were below industry averages depending on store type, to ensure conservative estimates. Multipliers used for the STA were higher than those used for the PTA, since retail in the STA reflects more modern offerings from regional or national companies, rather than the local businesses or “mom & pop” operations located in the PTA.

For this analysis, the supportable building area is represented in a range depending on the estimated capture rate of local market share. The high end of the range represents 100% capture of local demand, while the low end equates to 70%. Realistically, a local merchant would capture between 65% and 85% of market demand, but for this analysis the total maximum supportable building area is shown for discussion purposes⁶. For this reason, a low end of the range is also presented which is likely a more realistic, and perhaps conservative, figure.

Understanding these limitations, a Primary Trade Area with a demand for \$16.7 million in retail goods and services could support between 84,700 SF and 121,100 SF of retail space. Demand for grocery stores products would account for between 23,300 and 33,300, the largest of any store type. General merchandise follows with a supportable demand of between 18,600 SF and 26,500 SF of building area. Demand for furniture stores, eating and drinking establishments and apparel and shoes stores ranges from 8,700 SF to 10,500 SF on the low side, depending on type, to as much as 12,500 SF to 15,000 SF on the high side. The local demand for drugs and specialty store products (\$1.8 million) could support between 8,200 and 11,800 SF.

⁶ The reader should also recognize that in determining supportable building size, if a higher sales per SF factor is utilized, then the resulting supportable SF would be lower. The factors utilized in this section are believed to be the minimum standards retailers would utilize in evaluating a location in the PTA.

Table 3-7
Consumer Demand for Selected Store Types (in the \$000's)
Greenville County PTA & STA

Store Type	PTA	STA	Total	% of Total
Grocery Stores	\$6,666	\$25,098	\$31,764	30.5%
Department Stores	\$2,652	\$11,379	\$14,031	13.5%
Eating Places	\$2,004	\$10,758	\$12,762	12.3%
Health & Personal Care Stores	\$1,767	\$6,697	\$8,464	8.1%
Gas Stations w/Convenience Store	\$1,533	\$6,746	\$8,279	8.0%
Clothing & Clothing Accessory Store	\$1,253	\$5,312	\$6,565	6.3%
Electronic Shopping & Mail Order	\$645	\$3,031	\$3,676	3.5%
Gas Stations w/out Convenience Store	\$635	\$2,939	\$3,574	3.4%
Building Materials & Garden Equip.	\$467	\$2,840	\$3,307	3.2%
Furniture	\$423	\$2,108	\$2,531	2.4%
Other Home Furnishing Stores	\$260	\$1,497	\$1,757	1.7%
Radio/TV/Other Electronics Stores	\$319	\$1,474	\$1,793	1.7%
Lawn/Garden Equipment/Supply Store	\$181	\$1,010	\$1,191	1.1%
Shoe Stores	\$243	\$908	\$1,151	1.1%
Household Appliance Stores	\$151	\$734	\$885	0.9%
Drinking Places	\$116	\$711	\$827	0.8%
Home Centers	\$106	\$655	\$761	0.7%
Computer & Software Stores	\$93	\$455	\$548	0.5%
Hardware Stores	\$36	\$211	\$247	0.2%
Total	\$19,550	\$84,563	\$104,113	100.0%
% of Total	18.8%	81.2%	100.0%	-

Source: Claritas, Inc. & RKG Associates, Inc.

The consumer demand of \$71.8 million in the STA would support between 289,000 SF and 412,900 SF commercial floor space. Approximately 43% of this demand is driven by general merchandise and grocery stores sales. Eating and drinking places support another 15.9% of the demand, followed by apparel & shoes stores and furniture stores, at 12.1% of the supportable store space each (Table 3-8).

Table 3-8
Consumer Demand and Potential Supportable Area by Store Types (in the \$000)
West Greenville PTA & STA

Store Type [1]	PTA				STA			
	Demand (\$000s)	Sales/ SF [2]	Supportable SF [3]		Demand (\$000s)	Sales/ SF [2]	Supportable SF [3]	
			Low SF	High SF			Low SF	High SF
Building Materials	\$790	\$100	5,500	7,900	\$4,716	\$125	26,400	37,700
General Merchandise	\$2,652	\$100	18,600	26,500	\$11,379	\$150	53,100	75,900
Grocery Stores	\$6,666	\$200	23,300	33,300	\$25,098	\$250	70,300	100,400
Apparel & Shoes	\$1,496	\$100	10,500	15,000	\$6,220	\$125	34,800	49,800
Eating & Drinking Places	\$2,120	\$150	9,900	14,100	\$11,469	\$175	45,900	65,500
Furnishings & Appliances	\$1,246	\$100	8,700	12,500	\$6,268	\$125	35,100	50,100
Drug & Specialty Stores	\$1,767	\$150	8,200	11,800	\$6,697	\$200	23,400	33,500
Total	\$16,737	-	84,700	121,100	\$71,847	-	289,000	412,900

[1] Excludes automotive/gas station, electronic shopping & mail order

[2] Rounded adjusted sales per square foot factors per ULI

[3] Estimated Store size assuming 70% (Low) to 100% (High) share of use from each geography

Source: Claritas, Inc., Urban Land Institute (ULI) & RKG Associates, Inc.

2. Conclusions

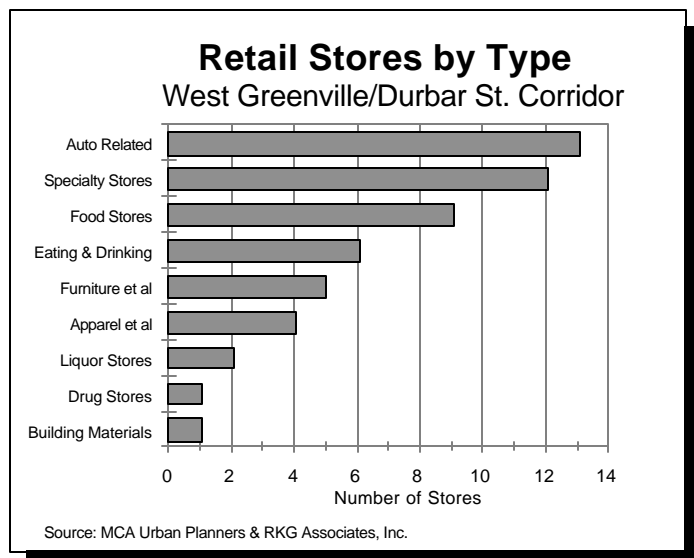
The resident consumer demand for selected retail uses appears soft, primarily due to the low-income characteristics of the households. In fact, total consumer spending for selected store types is \$88.6 million, which equates to roughly \$10,600 in annual spending per household in the combined market area. This spending could likely support roughly 534,000 SF of potential retail space, with 22.7% in the PTA, assuming full capture of market share. However, the local market could more realistically support about 373,700 SF of retail space including roughly 85,000 SF in the PTA. The per square foot sales assumptions used in determining potential supportable retail space are below industry standards. A future strategy that assists existing businesses in improving their productivity would increase overall viability of local commercial establishments. In addition, a future strategy to assist local households in improving their economic well being would also serve to increase consumer demand and therefore increase retail spending.

I. RETAIL BUILDING SUPPLY – DUNBAR / WEST GREENVILLE AREA PTA

1. PTA Retail Building Supply

This section identifies the supply of retail buildings in the PTA and STA, and correlates this supply to the demand previously identified by local spending potential. This will provide an indication of any under served needs or oversupply in the market. A comparison of the existing supply versus the supportable demand is then used to assess future retail opportunities in the Dunbar-West Greenville study area. As previously discussed, retail space in the PTA, exclusive of any vacancy⁷ consists of 57 properties containing a little over 224,200 SF of building space. Retail space represents nearly 9 of the total non-residential building inventory (Figure 3-18).

Figure 3-18

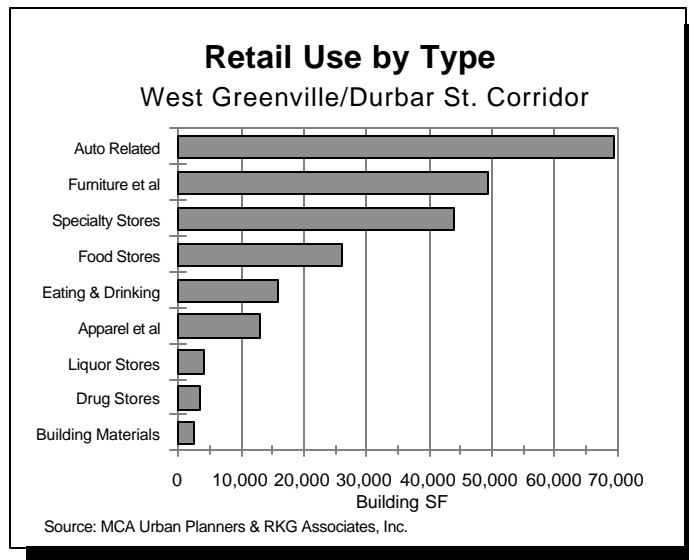


In terms of store counts, auto related businesses rank the highest at 13 properties, followed by 12 specialty stores, including three pawnshops, three florists, and a jeweler. There are also nine food stores, six eating and drinking places, five furniture stores as well as four apparel stores. The remaining businesses include two liquor stores, a drug store, and a building materials/salvage business.

⁷ Approximately 33 properties, containing roughly 94,440 SF, were vacant at the time of in-field inspections, of which 24 properties, containing 74,900 SF, were retail and/or commercial space suitable for retail, and the remaining 9 vacant buildings were office or warehouse type properties containing 19,500 SF.

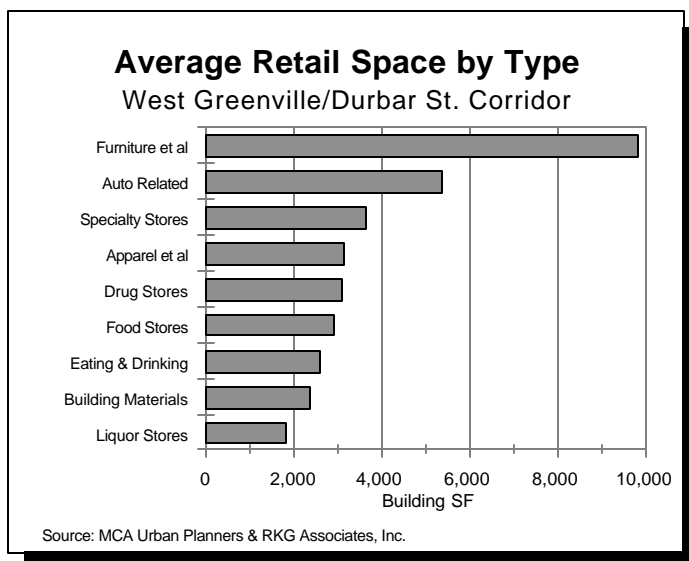
Auto related businesses occupy approximately 69,230 SF, or 30.1% of the retail building inventory, followed by furniture stores (48,870 SF). Specialty stores contain roughly 43,500 SF, or 19.4%, of the supply, while food and liquor stores combine for about 29,400 SF or 13.1% (Figure 3-19). The remaining uses, such as eating & drinking places, apparel stores, drug stores, and building materials, account for smaller, but significant, portions of the retail supply. Not represented in the figure is the 99,370 SF of vacant storefronts, which is greater than the amount of furniture and specialty stores combined (92,380 SF).

Figure 3-19



The average retail storefront in the PTA is approximately 4,230 square feet (Figure 3-20). This ranges from a low of about 1,760 SF for liquor stores to a high of 9,770 SF for furniture businesses. Eating and drinking places and building materials stores average around 2,500 SF. Food, drug and apparel stores average around 3,000 SF per store, while specialty stores, including pawnshops, average around 3,600 SF. The average size of vacant storefronts is approximately 2,700 SF.

Figure 3-20



2. PTA Estimated Retail Sales

A review of business licensing data obtained from the City of Greenville indicates that there were 186 businesses operating in the Dunbar-West Greenville study area in 2000, with gross sales in excess of \$49.25 million. This equates to roughly \$265,000 per business. There were 44 retail businesses in the PTA at that time doing about \$11.8 million in sales, indicating an average of approximately \$268,200. The 25 medical service businesses operating in the PTA accounted for nearly \$10.2 million in gross sales, averaging roughly \$410,000 per business. There were 19 industrial or contracting services in the PTA totaling \$6.3 million in sales. Personal, professional, and business service entities accounted for 47 licenses and generated \$5.5 million in sales. Table 3-9 itemizes the types of businesses by major groups from City data.

3. Conclusions

The 2000 sales figures (\$11.8 million) equates to roughly 80.3% of the local consumer demand (\$14.7 million), previously identified, suggesting that the low side of supportable SF is a reasonable assumption. Data obtained from the 1997 retail census indicate the average sales productivity per store in the PTA (\$270,000) is well below the productivity from the City (\$1.96 million), and the rest of the County (\$1.84 million). This further suggests that study area stores are under-performing in terms of local sales productivity standards. It also indicates that study area stores are much smaller, on average, than in other areas of the City and County.

Table 3-9
Operating Businesses and Gross Sales; 2000
Dunbar / West Greenville Study Area

Type	Count	Gross Sales	Average
Retail	44	\$11,799,238	\$268,165
Retail	30	\$9,956,295	\$331,877
Florist	3	\$824,275	\$274,758
Restaurant	6	\$722,340	\$120,390
Bar & Lounge	3	\$197,746	\$65,915
Catering	2	\$98,582	\$49,291
Medical Services	25	\$10,193,235	\$407,729
Physician Surgeon	12	\$4,432,198	\$369,350
Nursing Home	3	\$3,366,722	\$1,122,241
Dentist	5	\$2,112,145	\$422,429
Chiropractor	2	\$192,038	\$96,019
Mortuary	3	\$90,132	\$30,044
Contr., Manu. & Whsl.	19	\$6,264,502	\$329,711
Wholesale Bus.	4	\$2,287,273	\$571,818
Manufacturer	3	\$1,420,610	\$473,537
Contractor Services	10	\$1,307,480	\$130,748
Bakery	2	\$1,249,139	\$624,570
Per., Pro. & Bus. Services	47	\$5,505,417	\$117,137
Services	13	\$4,072,320	\$313,255
Accountants	4	\$750,340	\$187,585
Consultant	2	\$61,100	\$30,550
Real Estate Agents	3	\$244,780	\$81,593
Beauty Salon	15	\$224,486	\$14,966
Laundry	2	\$88,526	\$44,263
Barber Shops	8	\$63,865	\$7,983
Automotive	17	\$5,166,239	\$303,896
Auto Service Station	3	\$2,367,244	\$789,081
Auto Garage	6	\$2,239,953	\$373,326
Auto Washing	8	\$559,042	\$69,880
Total [1]	186	\$49,255,769	\$264,816

[1] Includes confidential data and other categories

Source: City of Greenville Economic Development Office

J. COMPETING RETAIL AREAS

1. Inventory of Competing Retail Space

Alternative shopping venues in the STA include community plazas, neighborhood malls, and strip centers, which are primarily located at the western edge of the STA just outside the City's borders. This base includes a new Wal-Mart Supercenter and a Big K-Mart Plaza. Additional competition exists from several smaller-scale, freestanding retail stores and restaurants surrounding the major centers. Much of this retail and service development has occurred along White Horse Road at the intersections of Anderson, Bramlett and Grove Roads. Table 3-10 presents an estimate of the retail square footage in the STA's destination-based shopping centers and plazas. It is estimated that there is more than 1 million square feet (SF) of existing shopping center space located in the trade area.

Table 3-10
Square Footage of Competing Shopping Centers
Greenville STA

Shopping Center	Size in SF (000's)
Anderson Road Plaza	55,000
Augusta Village Shopping Center	21,410
Bi-Lo & CVS Plaza	40,000
Greenville Anderson Road Plaza	81,000
Kmart Plaza	169,000
Scattered Retail	139,500
Western Square	78,200
Westwood Plaza	20,000
White Horse Plaza	175,000
White Horse Commons	236,310
Total	1,015,420

Source: National Research Bureau Shopping Center Guide and RKG Associates, Inc.

The list does not include any retail outside the PTA or STA, including the major malls in the eastern part of the City and County. Also excluded from this sample (and the STA) is the new, 390,000 SF power center at Cherrydale Point on the Poinsett Highway (Route 25), about three to four miles from the PTA. In addition, the shops in the West End and downtown Greenville have been excluded from this inventory as well⁸.

In total, there are seven major retail centers of over 50,000 SF, which include a Wal-Mart Supercenter that opened in 1999 at White Horse Commons (236,310 SF) and a K-Mart Plaza (169,000 SF). Both centers are located at the outer edge of the STA. There are also a few second-generation centers, including the former White Horse Plaza, which is presently being revitalized. A few tenants, including an upscale flea market, are in line for occupancy when renovations are complete. At this time, this center is nearly vacant, but is actively being marketed.

General merchandise stores count for more than a third of the retail space in the STA, which includes the larger Wal-Mart and K-Mart stores, and smaller Family Dollar and Big Lot stores. Seven food stores combine for nearly 131,500 SF, accounting for 17.6% of the supply. Retail vacancy within these centers combined to be the third largest use, with a total of 178,000 SF, or 17.5%, of the supply (Figure 3-21). This high amount of vacancy suggests that much of the newer

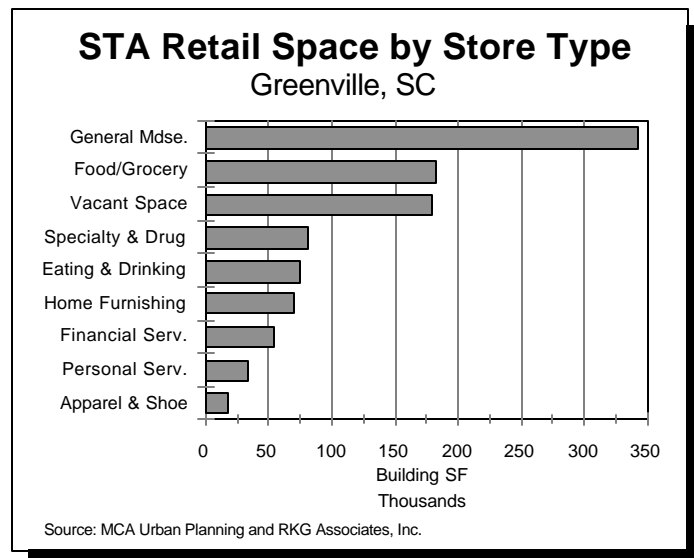
⁸ The market area (PTA & STA) was defined by major roadways, competition, drive time and natural barriers. The shops in the West End have been omitted since they are not considered "competitive" since they are less "neighborhood" oriented and more marketed to "niche" users targeting the emerging theater and arts district in the West End and downtown. Cherrydale and surrounding building was excluded since access to this mall is indirect, if not difficult, from the study area, and local households would not likely use it on a regular basis. Also many of the offerings available at Cherrydale are similarly available in the PTA or STA. The large retail build-up on the eastern side of the City and County was also excluded since local households likely only shopped there once in while. In any event, the actual inventory of competing retail square footage to the PTA merchants is likely higher than the 1 million identified. In fact, more than 11.3 million SF of retail space was reported in Greenville County in the "2000 Real Estate Forecast" prepared by The Furman Co., suggesting that the 1.0 million SF in the STA represents roughly 0.9% of the retail supply in the whole Greenville market.

retail development is built at the expense of the older properties, and that the market is not strong enough to in-fill the vacated properties with stable, productive tenants.

Twelve stores classified as specialty stores account for 7.8% of the supply, including two drugs stores (a CVS at Blue Ridge Road and an Eckerd on Augusta Road). Each is located within two to four miles of the PTA. There are 23 eating and drinking places in the STA having 72,000 SF, or 7.1% of the supply, followed by 68,200 SF of home furnishing stores. Financial and personal services occupy about 85,000 SF, or 8.3% of the competing supply.

Apparel and shoe stores account for the final 16,400 SF, or 1.6% of the supply.

Figure 3-21



2. Comparison of Demand and Supply

The PTA has consumer demand to support between 84,700 SF and 121,100 SF of selected retail space, while the consumer demand in the STA could support between 289,000 and 412,900 SF. In comparison, the PTA has a retail supply (excluding vacancies) of roughly 155,000 SF⁹, which suggests an oversupply of between 33,900 SF and 70,300 SF. The STA has a retail supply of roughly 757,000 SF, which when compared to supportable consumer demand, indicates a surplus of between 344,000 SF and 468,000 SF, exclusive of any vacancy (Table 3-11).

At the high range estimates, the PTA may have a shortage of retail space in such business types as building materials and general merchandise, and to a lesser extent apparel and shoes, grocery stores, and perhaps eating and drinking places. However, it is more likely that there is a surplus of retail space, and if a shortage did exist, it would likely be satisfied by retail offerings either in the STA or at other offerings in the PTA such as specialty stores, where a shortage is also apparent. For instance, pawn shops in the PTA, categorized as specialty may be servicing some local demand for general merchandise. In the STA, however, general merchandise stores could be oversupplied by as much as 265,300 SF to 288,100 SF, indicating sales would be needed beyond the local market to support these stores.

⁹ Excluding auto-related sales and service businesses.

A shortage in building materials and apparel stores is evidenced in the PTA and STA, but this demand is likely being serviced by other offerings in nearby areas, such as the Cherrydale Mall or nearby Home Depots. In addition, some of this potential demand may be satisfied at the general merchandisers in the STA, given the range of products now being offered at such mass retailers as Wal-Mart. Furniture stores in the PTA appear oversupplied, indicating that the current stores are drawing in clients from a much broader area. However when including the supply in the STA the deficiency is increased, further supporting a much broader market than what is apparent by local needs.

Table 3-11
Potential Supportable Retail versus Supply by Retail Space by Store Types
Greenville County PTA and STA

Store Type	PTA						
	Supportable SF [1]		Existing Supply	Shortage/(Surplus)			
	Low	High		Low	High		
Building Materials	5,500	7,900	2,300	3,200	5,600		
General Merchandise	18,600	26,500		18,600	26,500		
Grocery & Liquor Stores	23,300	33,300	29,400	(6,100)	3,900		
Apparel & Shoes	10,500	15,000	12,500	(2,000)	2,500		
Eating & Drinking Places	9,900	14,100	15,300	(5,400)	(1,200)		
Furnishings & Appliances	8,700	12,500	48,900	(40,200)	(36,400)		
Drug & Specialty Stores	8,200	11,800	46,600	(38,400)	(34,800)		
Total	84,700	121,100	155,000	(70,300)	(33,900)		
Vacant Retail	-	-	-	-	99,400		
Store Type	STA					Total Area	
	Supportable SF [1]		Existing Supply	Shortage/(Surplus)		Shortage/(Surplus)	
	Low	High		Low	High	Low	High
Building Materials	26,400	37,700	0	26,400	37,700	29,600	43,300
General Merchandise	53,100	75,900	341,200	(288,100)	(265,300)	(269,500)	(238,800)
Grocery Stores	70,300	100,400	179,400	(109,100)	(79,000)	(115,200)	(75,100)
Apparel & Shoes	34,800	49,800	16,400	18,400	33,400	16,400	35,900
Eating & Drinking Places	45,900	65,500	72,000	(26,100)	(6,500)	(31,500)	(7,700)
Furnishings & Appliances	35,100	50,100	68,200	(33,100)	(18,100)	(73,300)	(54,500)
Drug & Specialty Stores	23,400	33,500	79,800	(56,400)	(46,300)	(94,800)	(81,100)
Total	289,000	412,900	757,000	(468,000)	(344,100)	(538,300)	(378,000)
Vacant Retail	-	-	-	-	178,000	-	277,400

[1] - At 70% (Low) and 100%(High) Market Share
 Source: MCA Urban Planners & RKG Associates, Inc.

3. Conclusions

The PTA and STA appear to have an adequate supply of retailers, based on current retail demand. In fact, the market is likely oversupplied based on the retail market analysis. This situation is further exacerbated when the vacant space is included. Opportunities for retail development in the PTA appear limited due in part to the very low-income status and limited spending potential of its households. In addition, a significant supply of retail exists within the STA that is capturing any excess demand. If any new store, such as a discount general merchandise store or a grocery store, should open in the PTA, it would likely take sales away from the other businesses currently in operation, rather than increase the market potential. The quality of retail operations in the study area is a relevant issue, as it is generally felt that existing stores do not offer a full range of products and the quality of goods can vary significantly.

The distribution of food stores throughout the PTA likely meets the convenience needs of the local population. Whatever retail demand is not met in the PTA could likely be met with the

retail options in the STA, which also shows evidence of oversupply. In short, the potential for future growth is questionable, given the forecasted declines in households for both the STA and PTA over the next five years.

Given the low spending potential in the PTA, attracting a national or regional retailer will be very difficult to achieve over the short-term. Realistically, the local market will not be able support this type of investment, and if one was attracted, existing businesses would likely be in jeopardy. This finding suggests that there should be a broader, long-term strategy to increase the number of middle income households in the Dunbar-West Greenville area in the future.

Perhaps the best strategy for the City to take is one aimed at retaining existing business while improving the vitality of existing merchants through training and consumer awareness. At the same time provide incentives for local entrepreneurs to establish niche businesses in some of the better quality vacant space. Attracting medical uses is another viable option, given the proximity of the market to St. Francis hospital. In addition, improving the condition of key areas in the PTA by removing blight and abandoned buildings, and creating additional parking, could improve the potential for future investment.

As discussed, there is an active retail community that is serving the local households. It should be a priority to maintain this retail base, while improving the productivity of individual businesses and fostering the development of some new niche businesses. Furniture stores are a predominant type of retail within the study area. These stores draw from a larger region, which offers a few opportunities for the development of complementary uses, such as niche designers, and possibly some building material stores.

Local residents would likely welcome a local hardware store, pharmacy, and supermarket. However, from a sales and profitability standpoint, it would be difficult for these businesses to succeed, given the weak economic indicators and the significant competition in the broader region. In fact, a regional drug store chain was reportedly investigating a local site within the PTA, but walked away due to “poor” demographic characteristics. If the likelihood for such development is limited, the City may have to provide incentives to franchises to offset the area’s limited spending potential.

While the demand is not readily apparent at this time, the creation of ethnic restaurants might be another opportunity for this area. In any event, better marketing and promotions will be needed to bolster the local market, as well as improved communication and joint advertising between the existing merchants. Creating a better perception through beautification and blight removal in the area may help stimulate more traffic, and therefore demand.

K. MERCHANT AND PROPERTY OWNER INTERVIEWS

In order to develop a more complete understanding of existing conditions in the Dunbar-West Greenville market, RKG gathered anecdotal information from local merchants and property owners to develop an understanding of the local market, as well as challenges facing merchants operating in the Dunbar-West Greenville area. To this end, the consultants conducted interviews with various property and business owners located in the study area, as well as real estate brokers

familiar with the local market. Some of the comments and concerns gathered from these discussions are summarized herein.

- Out of the seven merchants interviewed, six had been in business at their location for more than twenty years and the remaining business had been in open for less than a year. The owners report that sales trends have been positive, but annual percentage increases have been in the single digits, as compared to industry standards, which have been in the double digits. The reason for slower growth was attributed to expanding competition in the market, either in the STA or elsewhere in Greenville County, but not West Greenville. While actual sales figures were not revealed in most cases, it was inferred by storeowners were that sales figures were generally below industry standards due to the lower income clientele. In those cases where sales figures were provided, the amounts seemed sufficient enough to run a viable business, assuming low overhead.
- Some merchants admitted that their advertising was mostly word of mouth, and rarely did they use traditional methods. Only two merchants indicated that they had seasonal or monthly promotions for their stores. One furniture business owners reported that they had benefited from a previous marketing program that distributed monthly fliers throughout Greenville County with a map identifying their West Greenville location. Cross promotions with other store owners at the same time would be a way to increase exposure of other stores in the immediate area.
- The lack of quality retailers and the growing presence of social service agencies and churches in commercial storefronts, was seen as contributing to the area's low retail customer traffic. In addition, it was stated that the West Greenville Merchants Association had a higher number of single persons than businesses on its membership. Some of the active businesses were considered "hobbies" or part time operations as the owners had another means of income and employment. In addition, the hours of operation were generally reduced in comparison to other vendors in the area.
- The issue of cars traveling at a high rate of speed along Pendleton Avenue was identified as a detriment by a few merchants. In addition, a lack of sufficient or convenient parking and poor street lighting in the West Greenville commercial district were seen as problems. On-street parking, while beneficial to one business owner who lacked parking, was mostly used by panel vans and employees from other businesses, thereby blocking the visibility of the store to commuter traffic.
- Several merchants believe that the local population is comprised of decent, hard working people despite their lower incomes. For the most part, the market areas from which these merchants draw their sales, include adjacent areas of the County, as well as the immediate City neighborhoods. Some of the more established business owners claim to draw from a larger market area since they have developed a loyal customer base over the years. In addition, some merchants report that they still sell to second and third generations of families that once lived in nearby neighborhoods, but still return to shop at their stores.

- One merchant was questioned regarding problems associated with people loitering around his store and potential impact that this activity might have on his business. The owner was not concerned and considered these persons his customers and didn't want to disenfranchise them. In addition, the owner mentioned that it was better to have them loitering rather than trying to enforce them to stay away, and eventually have them return to cause damage to the building.
- Most of the merchants agreed that the statue for Joe Jackson should be located in the confines of West Greenville. However, there did not appear to be any consensus on the proposed museum honoring the local hero. In fact, the momentum behind this effort has reportedly stalled due to internal conflict among the participants.
- In terms of recent investment, only two merchants and one property owner had made improvements in their properties over the last few years. Reportedly this totaled about \$300,000, which for the 27,000 SF of building area, indicates an average cost of about \$11 PSF. One store owner incurred a cost of about \$8 PSF for interior fit-up, while another owner invested a similar amount to expand the store, as well as \$10 PSF to acquire a new property and make it ready for auxiliary warehouse use for the main business. The third owner reportedly invested about \$15 PSF for structural and cosmetic changes to his building.
- The public's negative perception of West Greenville was reported as an issue that needs improvement. It was considered a detriment to most of the retailers. This perception was attributed in part to the local media, which reportedly attribute most of the crime committed in Greenville to West Greenville or someone who lives in West Greenville.
- Incentives were suggested as a means to attract new business to the area, including tax breaks, waiving licensing fees, tax increment financing, etc. A "clean and well-kept" grocery store and pharmacy was suggested as one retail offering that was lacking in the study area. In addition, some people believed that the number of social service agencies in the study area was increasing, and they believed this could be a detriment to business in the future.
- Brokers noted that increased activity for some of the available storefronts has resulted from the City's recent commitment to the area. Most notable was the recent demolition of the Relax Inn building on Pendleton Street. From a broker's perspective, West Greenville has relatively good access, although its reputation needs to be improved. Reportedly, a direct transportation link between the downtown, the West End, and West Greenville is lacking, and the distances are too far for walking. A local trolley service to interconnect the areas was suggested. Specialty and niche retail, laundry/dry cleaners, and liquor stores were identified as business types most interested available properties. There is minimal activity from medical office users, since sufficient space already exists in the neighborhood, especially modern office space adjacent to the hospital. However, companies that sell medical related products and pharmacies have inquired about available space.

- The market momentum in the West End reportedly has stalled recently. A few business closures have also occurred over the last year including a restaurant.
- Rents reportedly range from less than \$5 PSF for “as is” condition, to roughly \$20 PSF. Location, size, condition, fit-out and utilities influence pricing. Generally, the asking rent for some of the better properties ranged from \$10 to \$12 PSF, which is lower than at some of the established retail centers in the eastern part of the City. Rent is typically quoted on a monthly basis, and can range from \$200 to \$500 per store space for smaller and lower quality units and \$1,000 to \$2,500 for larger and better quality space. Assuming rent equates to about 5% of gross annual sales, a store that supports a rent of \$1,000 per month should have gross sales of \$240,000 per year. Based on a store size of 2,400 SF, this equates to sales of \$100 PSF and a rent of \$5 PSF. If the rent for a same size store increased to \$10 PSF then sales of \$200 PSF would be expected based on industry averages.
- According to the new manager, the 171,000 SF White Horse Crossing Plaza formerly occupied by a Wal-Mart and Winn-Dixie, is in the midst of being renovated and released and reportedly has occupancy agreements from new tenants. The socio-economics of the local market area are reported as middle- to lower-income, blue-collar households, with a higher percentage of Hispanic households than the City. A diversified mix of white and African American households also exists. The mix of tenants already in line for repositioning the plaza include an upscale flea market (likely antiques and collectables) that will go in the former 90,000 SF Wal-Mart, plus an ethnic food market, a jewelry store, a sports bar, a gym and fitness center, and an art gallery. The manager mentioned a highly competitive market for grocery stores, which forced the Winn Dixie to consolidate and leave the region. The immediate area has a Bi-Lo market and 40,000 SF at the new Wal-Mart dedicated for groceries. In addition, an Aldi’s recently opened a new store, and Ingles has a store just up the road. The company that recently purchased the White Horse Crossing Plaza specializes in repositioning abandoned centers and closed Wal-Mart stores.

L. SUGGESTED APPROACHES TO SUPPORTING PTA RETAILERS

- Encourage the churches to focus on entrepreneurial involvement and training. Have churches provide educational/business training for local persons that want to open a store.
- Have existing merchants network with churches and parishioners to expand market potential.
- Provide financial assistance to upgrade selected properties and facades.
- Create local promotions and couple them with local churches bazaars and tie into West End activities.
- Synergistic uses with furniture stores such as interior designers; carpet/tile sales; etc.
- Thin out some of the vacant buildings to create parking.
- Provide better access to back of buildings.
- Selectively remove underutilized buildings in West Greenville area in order to make parking and transportation improvements.

-
- Traffic calming techniques so drivers have to slow down.
 - Improve street lighting and parking policy through enforcement.
 - Consider creating a small neighborhood park through a realignment of the Pendleton Street, Perry Street, and Lois Avenue intersection for a second “Shoeless” Joe Jackson statue and memorial park. Perhaps the statue could represent the famous Greenville resident in his youth, in the same neighborhood where he learned to play the game of baseball. This memorial park could be tied into the Judson Mill as a corporate sponsor and as a link to the City’s Mill Baseball League history. This park could then be tied to the West End, where the other “Shoeless” Joe Jackson statue is located.
 - The City should consider selective removal of some structures on the south side of Pendleton Street where the closed drive-in bank is located, and the salvage supply/Mutual Home warehouse is located.

4 REAL ESTATE & LAND USE ANALYSIS

A. STUDY AREA BOUNDARIES AND HIGHWAY ACCESS

In order to understand the existing land use pattern in the study area, RKG Associates, Inc. created a property database consisting of approximately 285 non-residential and 1,019 residential properties. The Dunbar-West Greenville revitalization study area covers the western area of the City, and lies just west of the Greenville central business district. The study area is bounded in the east by Augusta Street and in the south by Sullivan Street. The study area then follows the Greenville City/County line in the western portion and follows the railroad line to the northern boundary at Birnie Street and onto Wardlaw Street at the edge of Greenville's West End.

The study area does not enjoy direct access to major regional transportation routes such as Interstates 385, 85, and 185. While these routes are not located far away (1 to 4 miles), motorists must travel through either the Downtown central business district, adjacent residential neighborhoods, or along secondary rural highways to get to these routes. Interstate 85 is the primary east-west Interstate highway that connects Greenville to Charlotte, NC to the east and Atlanta to the west. Interstates 185 and 385 function as connectors to I-85 from the center of Greenville.

As a result of its limited access to major transportation routes, the study area does not enjoy the same visibility and traffic volume as other commercial areas of the city. While this is positive for the surrounding residential neighborhoods, it is detrimental to the health of businesses in the study area, particularly those that rely on convenience or impulse shoppers (i.e., convenience stores, retailers, car washes, restaurants, etc.)

B. REAL ESTATE MARKET TRENDS

The following section provides an overview of real estate market trends and conditions in the Greenville market in terms of office, industrial, and residential segments. The retail market is addressed in detail in Chapter 3 – Retail Market Analysis. The data presented in this section were obtained from several different sources, including the Furman Forecast, an annual market report produced by Grubb & Ellis and The Furman Company of Greenville. Other data were obtained from recent market studies conducted for the City of Greenville by various consultants and supplemented with interviews of various real estate professionals in the community. The consultants have also conducted an analysis of properties within the Dunbar-West Greenville study area and have related these properties to the overall market.

1. Office Market Overview

a.) Development Trends & Vacancy Rates

The Greenville office market consists of two submarkets, the downtown central business district and all other suburban office developments. The majority of suburban office activity is located along the Pleasantburg Drive corridor, which is located a few miles east of the Downtown. Not surprisingly, much of the county's residential growth has been occurring in an eastward pattern heading away from Downtown Greenville.

While economic growth in the Greenville area has been strong over the past decade, the local office market has experienced some softening in recent years. The decline of "dot.com" and telecommunication firms has hurt the Greenville office market, which has resulted in increasing vacancy rates in suburban office complexes and a stabilization of lease rates.

Table 4-1 shows that Greenville's office inventory of 6.7 million square feet has grown by nearly 17% or 1.1 million SF over the past four years. Between 1999 and 2000, the overall vacancy rate increased from 12 to 14%. The majority of new vacant space has been occurring in the suburban market, where vacancies have increased from 4% in 1997 to over 13% in 2000 and as high as 18% in 2001. Vacancy will continue to rise in 2002 with the development of Crescent Center at Wooddruff Road and Interstate 85, the Upstate's largest single-story office and industrial center. With over 450,000 SF of new space coming on line, this will further soften the suburban office market.

The Downtown office market has remained fairly stable, and in fact has seen a slight reduction in vacant space during the period. A listing of vacant office properties in the Greenville market shows that there are at least 120 office properties for lease, accounting for over 1.1 million SF of building space.

The Downtown market is driven by demand for Class A office space, where high occupancy levels are being driven by increased demand from corporate users and financial institutions. The suburban market has been softened by an influx of new construction, build-to-suits and sublease space. Recent suburban office buildings include MetLife, Independence Point, Milestone Way, Orchard Park, and the Bonaventure II, totaling nearly 400,000 SF. Another recent addition to the suburban market is McAlister Square at University Center. Formerly retail mall, Cross Commercial reports that the project has been repositioned as a business center, adding over 200,000 SF of prime office space to the market.¹

¹ Cross Commercial Report – 2000, Greenville, SC

Table 4-1
Greenville Office Market Trends
1998-2001

	1997		1998		1999		2000	
	CDB	Suburbs	CDB	Suburbs	CDB	Suburbs	CDB	Suburbs
Total Rentable Sq. Ft.	2,277,684	3,271,779	2,281,550	3,572,900	2,577,000	3,757,000	2,656,000	4,002,000
Occupied Sq. Ft.	1,908,714	3,134,486	1,939,040	3,414,520	2,213,000	3,388,000	2,261,000	3,480,000
Vacant Sq. Ft.	368,970	137,293	342,510	158,380	364,000	369,000	395,000	522,000
Vacancy Rate	16.2%	4.2%	15.0%	4.0%	14.1%	9.8%	14.9%	13.1%
Total Annual Absorption	37,086	146,999	99,580	212,410	277,000	215,000	(9,000)	323,000
Under Construction	80,000	180,000	200,000	212,000	0	405,000	0	169,000
Avg. Rental Rates								
Class A	\$16.75	\$16.04	\$17.25	\$16.50	\$18.50	\$18.00	\$18.75	\$18.25
Class B	\$0.00	\$0.00	\$14.50	\$13.95	\$15.50	\$15.75	\$15.75	\$15.75

Source: Furman Forecast (1998-2001) and RKG Associates, Inc., 2002

Many corporations will continue to be attracted to Greenville because of its strong business climate, stable government leadership, skilled workforce, and high quality of life. Local real estate analysts report that much of this future demand may come in the form of new build-to-suit projects, many of which have located at the Brookwood Corporate Center, which has become the largest office park in Greenville County.

b.) Lease Rates

With the softening of the Greenville office market over the past 18 months, lease rates have also stabilized. Per square foot lease rates for Class A office space in the CBD averaged about \$18.75/SF in 2000 and Class B space averaged about \$15.75/SF. Over the past three years, lease rates for CBD office space (Class A and B) have increased by 8.7%.

In 2000, Suburban lease rates were nearly identical to those in the CBD market, with Class A space averaging \$18.25/SF and Class B space averaging \$15.75/SF. Suburban lease rates have risen at a slightly faster pace than Downtown over the past three years, roughly 11% for Class A and 13% for Class B. A current listing of available office properties in the Greenville market indicates a possible softening of office rents, as more than 1.1 million SF of space has an average rent of less than \$14/SF, ranging from \$5.50/SF to nearly \$26/SF.

c.) Absorption

Average annual absorption of office space has averaged about 300,000 SF per year over the past three years, with the CBD absorbing 183,000 SF per year and the suburban market absorbing 119,000 SF. Net absorption refers to the annual change in the amount of office space occupied. Based on average annual absorption of approximately 300,000 SF per year, the current supply of available office space in the Greenville market, plus new construction, represents a four-year supply. Certainly, if demand does not continue at recent historical levels, this supply could take 5 to 7 years to absorb.

d.) Study Area Office Properties

The Dunbar-West Greenville office properties function largely independent of both the CBD and suburban office markets. Office space within the study area does not consist of investment grade properties, but rather small, scattered office buildings, residential

conversions, or condominiums, many of which would be classified as Class C properties by virtue of their lower quality.

According to county property assessment records, the study area consists of roughly 60 office properties, containing 296,600 SF and covering 32 acres (Table 4-2). Nearly 37% of these properties consist of medical office buildings that are located near St. Francis Hospital off Dunbar Street, and along Pendleton, Sumner, and Vardry Streets. Nearly 110,000 SF of office space is occupied by physicians, dentists, and other medical practitioners. The number of medical office uses in the study area has declined sharply in recent years, due to the relocation of the former Greenville General Hospital during the 1990s. This has resulted in an out-migration of physician's offices that once supported the hospital.

Table 4-2
Dunbar-West Greenville Office Inventory
2002

Type of Office	No. of Properties	Building Sq. Ft.	Acres	Market Val.		Market Val. Total	Total Ass'd Val.
				Building	Land		
Finance & Real Estate	5	10,577	1.30	\$ 407,406	\$ 57,203	\$ 464,609	\$ 27,879
Professional Services	10	64,148	6.15	\$ 2,932,163	\$ 327,897	\$ 3,260,060	\$ 174,184
Medical Office	22	109,554	14.89	\$ 3,412,477	\$ 291,978	\$ 3,704,455	\$ 186,600
Social Services	8	61,317	5.76	\$ 807,933	\$ 147,571	\$ 955,504	\$ 1,640
Vacant Office	15	51,006	3.84	\$ 1,238,478	\$ 101,659	\$ 1,340,137	\$ 80,418
Total Office	60	296,602	31.95	\$ 8,798,457	\$ 926,308	\$ 9,724,765	\$ 470,720

Percentage of Total

Type of Office	No. of Properties	Building Sq. Ft.	Acres	Market Val.		Market Val. Total	Total Ass'd Val.
				Building	Land		
Finance & Real Estate	8.3%	3.6%	4.1%	4.6%	6.2%	4.8%	5.9%
Professional Services	16.7%	21.6%	19.2%	33.3%	35.4%	33.5%	37.0%
Medical Office	36.7%	36.9%	46.6%	38.8%	31.5%	38.1%	39.6%
Social Services	13.3%	20.7%	18.0%	9.2%	15.9%	9.8%	0.3%
Vacant Office	25.0%	17.2%	12.0%	14.1%	11.0%	13.8%	17.1%
Total Office	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Greenville County property assessment records and RKG Associates, Inc., 2002

Professional and social service agencies comprise the next largest group of office uses in the study area, accounting for 30% of all office properties and over 42% of total building square footage (125,000 SF). A number of social service agencies and faith-based groups have moved into properties located along the Pendleton Street corridor in higher profile sites. While there is a significant demand for human services in this part of the City, the number and higher visibility of these agencies has contributed to a negative perception that study area residents are reliant on these services.

Based on field observations, RKG Associates estimates that roughly 25% of study area office properties and 17% of office space is currently vacant. In discussions with local real estate professionals, there is very little demand for office space in this part of the City. Negative perceptions regarding personal safety and crime are cited by many as reasons for this low demand. The pricing of office space in this area is well below CBD and suburban office rents and should be attractive to cost sensitive tenants. Since 1999, there have been at least 11 arms length sales of office properties within the study area. The average sales price per square foot is almost \$16/SF, which is below the actual

replacement cost to construct these buildings. This suggests that values and lease rates are quite depressed in this area of the City.

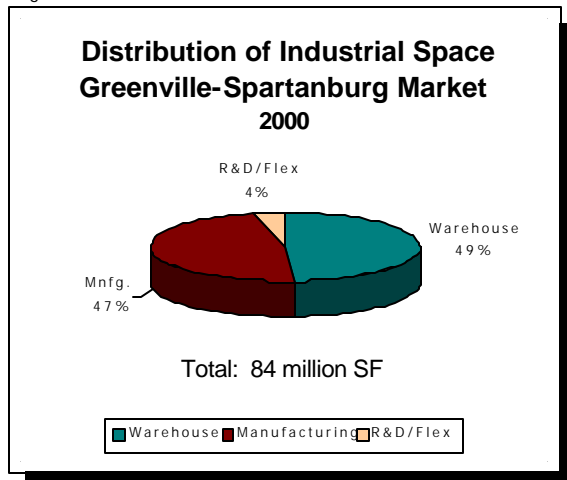
The average size of office properties within the study area is estimated at 5,000 SF, although it is difficult to know the average size of an office unit since the total number of units is not known. At an average of one employee per 250 SF of office space, the average building could support up to 20 employees. Based on the amount of vacant office space in the study area (51,000 SF), as many as 200 office workers could be added to the study area if this space were suitable for occupancy.

2. Industrial Market

a.) Development Trends & Vacancy Rates

Economic growth in Greenville County has been strong over the past decade, with over \$3 billion in new private investment, 3,000 new companies and 30,000 new jobs. According to Grubb & Ellis/The Furman Company, the total supply of industrial space in Greenville County (including the western portion of Spartanburg County) equaled 84 million SF in 2000. Warehouse space accounts for 49% of the inventory, with manufacturing equaling 47% and R&D/flex space equaling 4% (Figure 4-1).

Figure 4-1



Located between Charlotte, NC and Atlanta, GA, the Greenville industrial market is well positioned to realized continued growth. The Greenville-Spartanburg market has been ranked in the top 10 among the nation's top 40 real estate markets in terms of available space, pricing, and business climate for expanding firms. Companies like BMW, General Electric, Benore Logistic, Kemet, Hitachi, and Alcoa Fujikura announced expansion plans in 2000. Major leasing activity in 2000 was driven by BMG Music, CWC and Tyco, all at 100,000 SF, Export Packaging (150,000 SF), Delphi Automotive (86,000 SF) and Sunland Distribution (145,000 SF). Greenville's newest industrial park recently was delivered to the market. The Matrix Park is located in southern Greenville County along the new southern connector. The park consists of 1,200 acres of prime industrial land, complete infrastructure, and development covenants. According to Grubb & Ellis, over 2 million SF of new industrial, warehouse, R&D, and flex space was under construction in late 2000.

Industrial vacancy rates in 2000 approached 10%, up from 9% in 1999. Higher vacancy rates have been seen in the R&D/flex market. However, since 1998 vacancy rates for standard industrial properties have risen slightly from a rate of 8%, while R&D/flex space has declined from a rate of 15%. Projections suggest that speculative building will decline sharply, which will increase absorption and bring down vacancy rates.

b.) Lease Rates

Average asking rents for standard industrial properties (e.g., manufacturing and warehouse) averaged \$3.40/SF in 2000, while R&D/flex space averaged \$4.50/SF (Table 4-3). A current, but partial listing of industrial, for-lease properties in the Greenville-Spartanburg industrial market indicates that the majority of space on the market (92%) is classified as warehouse/distribution space (Table 4-4). The pricing of this space is

Table 4-3
Greenville Industrial Market Trends
2000

	2000		TOTAL
	Industrial	R&D/Flex	
Total Rentable Sq. Ft.	80,974,000	3,321,000	84,295,000
Vacant Sq. Ft.	7,650,000	441,000	8,091,000
Vacancy Rate	9.4%	13.3%	9.6%
Total Annual Absorption	(950,000)	215,000	(735,000)
Under Construction	1,944,000	142,000	2,086,000
Avg. Rental Rates	\$ 3.40	\$ 4.50	\$ 4.25

Source: Grubb&Ellis/The Furman Company, 2001

likely to influence the marketability and lease rates of similar properties located within the study area. The properties represented in the data and contained in Table 4-4, are considered to be of higher quality and are generally located within proximity of major transportation routes.

Table 4-4
Industrial Properties for Lease
Greenville Market - 2002

Type of Space	No. of Properties	Total SF	Avg. SF/Unit	Avg. Lease Rate
Warehouse Distribution	52	1,870,533	\$ 34,199.00	\$ 3.63
Manufacturing	1	82,185	\$ 82,185.00	\$ 3.80
Flex Space	12	89,300	\$ 7,441.00	\$ 5.44
Totals	65	2,042,018	\$ 31,415.66	\$ 3.72

Source: Loopnet.com, 2002

c.) Absorption

Despite a year of negative absorption in Greenville's industrial market (-735,000 SF), Grubb & Ellis projects that absorption over the next few years will approach the 800,000 to 1 million SF range.

d.) Study Area Industrial Properties

The Dunbar-West Greenville study area contains over 518,000 SF of industrial/warehouse space located in 31 buildings (Table 4-5). Nearly 50% of this space is classified as manufacturing. The largest manufacturing facility is a vacant 70,000 SF facility that is currently listed for sale. This property is located on a wedged-shaped lot formed by the intersection of Easley Bridge Road and Traction Street. The property is located across from St. Francis Hospital and abuts a public housing project on Traction Street. The facility is constrained by the shape and size of its lot and the use does not complement the surrounding neighborhood. Given the level of traffic and visibility on Easley Bridge Road, this site would appear to have redevelopment potential for commercial activity, including convenience retail, restaurant, or office space. The potential for this facility to be a brownfield site is fairly high given its industrial history, which could impact any change in use in the future.

Table 4-5
Dunbar-West Greenville Industrial Inventory
2002

Type of Space	No. of Properties	Building Sq. Ft.	Acres	Market Val. Building	Market Val. Land	Market Val. Total	Total Ass'd Val.
Construction	2	31,810	2.31	\$ 144,224	\$ 47,196	\$ 191,420	\$ 5,890
Manufacturing	10	257,826	14.89	\$ 1,556,569	\$ 616,221	\$ 2,172,790	\$ 130,360
Warehouse/Storage	6	66,976	2.73	\$ 243,727	\$ 91,482	\$ 335,209	\$ 20,120
Trucking	3	8,129	1.21	\$ 105,935	\$ 31,076	\$ 137,011	\$ 8,220
Wholesale	2	22,837	1.10	\$ 127,985	\$ 94,218	\$ 222,203	\$ 13,329
Vacant Industrial & Whse.	8	130,673	7.81	\$ 1,132,068	\$ 515,173	\$ 1,647,241	\$ 98,840
Total Industrial	31	518,251	30.04	\$ 3,310,508	\$ 1,395,366	\$ 4,705,874	\$ 276,759

Percentages of Total

Type of Office	No. of Properties	Building Sq. Ft.	Acres	Market Val. Building	Market Val. Land	Market Val. Total	Total Ass'd Val.
Construction	6.5%	6.1%	7.7%	4.4%	3.4%	4.1%	2.1%
Manufacturing	32.3%	49.7%	49.6%	47.0%	44.2%	46.2%	47.1%
Warehouse/Storage	19.4%	12.9%	9.1%	7.4%	6.6%	7.1%	7.3%
Trucking	9.7%	1.6%	4.0%	3.2%	2.2%	2.9%	3.0%
Wholesale	6.5%	4.4%	3.7%	3.9%	6.8%	4.7%	4.8%
Vacant Industrial & Whse.	25.8%	25.2%	26.0%	34.2%	36.9%	35.0%	35.7%
Total Industrial	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Greenville County Property Assessment Records and RKG Associates, Inc., 2002

Manufacturing and warehouse uses are also located in the Dunbar, Rhett, and Perry Street areas. A number of the industrial buildings in these areas consist of vacant storage or warehouse space, but active manufacturing operations still exist at Eagle Iron Works (38,263 SF) on Dunbar Street and Diversified Systems (67,991 SF) on Perry Street in West Greenville. Although these operations appear to be viable uses, they are both located in largely residential areas.

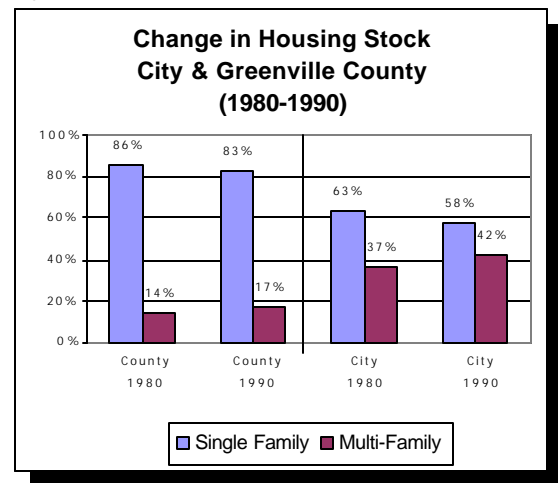
The most significant concentration of industrial buildings in the study area is located near the West End, at Wardlaw, Rhett, and North Markley Streets, where a number of warehouse and industrial buildings are located along the rail line. Several of these properties are available for lease and range in size from 5,000 SF to 20,000 SF. These buildings are older but appear to be in fair condition and could accommodate small assembly, manufacturing, or repair/machine shop operations. Discussions with listing brokers indicate that there is not a lot of interest in these properties. The location is convenient to the Downtown, but less convenient to the general pattern of growth that is moving away from the City. The types of businesses attracted to these buildings would most likely be small operations that provide support to larger industries in the region, such as machine repair shops, specialty contractors, or precision tool manufacturers, that desire to be closer to their customers.

The market value of industrial properties (including land and buildings) in study area are quite low, just averaging over \$9.00/SF, with a few of the more functional buildings having values in the \$20/SF to \$25/SF range. This indicates that a majority of these buildings are functionally obsolete, meaning that the buildings' layout, mechanical/electrical systems, and other amenities no longer meet the needs of today's companies. Likewise, the buildings could be in poor condition and need substantial renovation in order to be brought back on line or leased. In either case, these buildings would seem to have limited reuse potential and their market values are reflecting this condition.

In addition, only four arms-length sales transaction occurred between 1998 and 2001, out of the 31 industrial properties located in the study area. The total dollar value of these sales equals roughly 86% of their current market value, based on County property assessment records. While some market value appreciation could have occurred since 1998, this limited data reinforces the notion that the market for industrial properties in the study area is not strong.

In summary, the market potential of these properties is limited, but could serve the needs of cost sensitive tenants that don't mind the in-town location and don't require high quality space. With over 25% of this space remaining vacant, it's likely that some reinvestment is needed in order to make this space more functional for tenants or new end users.

Figure 4-2



3. Residential Market

a.) Housing Trends and Ownership Characteristics

The City of Greenville has been experiencing a decline in population over the past several decades, and estimates from the 2000 U.S. Census confirms that this trend continued during the 1990s. Between 1980 and 2000, the City's population declined from 60,367 to 56,002, for a 7.2% loss. The City has been losing ground to much faster growing suburban communities on its fringes. As a percentage of the County's population, Greenville dropped from 21% in 1980 to 14.8% in 2000. While this pattern of growth is typical of most metropolitan areas in the U.S., the City's declining population trend seems to contradict the outward appearance of Greenville as a vibrant, rejuvenated southern City.

- 1. Housing Composition** - One interesting aspect of Greenville's housing supply is its growing percentage of multi-family housing units, which represented 42% of all housing units in 1990, up from 37% in 1980 (Figure 4-2). While a similar trend has occurred in the County, that trend has been far less pronounced.
- 2. New Housing Development** - Over the past several decades, the City's growth pattern has continued to sprawl outward from the center city. While there has been some recent residential development in and around the Downtown, development is moving into the County at a much faster rate. The fastest growth rates in the Upstate Region during the 1990s occurred to the south and southeast of Greenville in places like Southside, Simpsonville, Fountain Inn, Maudlin and Enoree. The fastest growth was concentrated between Interstates 385 South and Interstate 26 South.

An analysis of building permits issued between 1996 and 2000 illustrates the disparity that is occurring in the regional housing market. Greenville is increasingly becoming a rental housing market, as nearly 73 percent of all new housing units constructed over the 5-year study period were classified as apartment, townhome, or condominium units. In contrast, only 19.2% of new housing units permitted in Greenville County (including Greenville City) were non-single family units during the

Table 4-6
City of Greenville
Building Permit Data
1996-2000

No. of Units	1996	1997	1998	1999	2000	Total	% of Total
Single Family	67	45	53	44	86	295	26.9%
Two Family	0	2	8	10	4	24	2.2%
Three & Four Family	10	0	6	0	3	19	1.7%
5+ Family	440	0	5	0	312	757	69.1%
Total	517	47	72	54	405	1,095	100.0%
Value of Construction	1996	1997	1998	1999	2000	Total	% of Total
Single Family	\$ 6,064,606	\$ 6,251,722	\$ 6,176,205	\$ 5,839,272	\$ 12,022,605	\$ 36,354,410	50.4%
Two Family	\$ -	\$ 150,000	\$ 351,524	\$ 461,000	\$ 244,900	\$ 1,207,424	1.7%
Three & Four Family	\$ 200,000	\$ -	\$ 291,636	\$ -	\$ 98,000	\$ 589,636	0.8%
5+ Family	\$ 18,072,482	\$ -	\$ 400,000	\$ -	\$ 15,500,224	\$ 33,972,706	47.1%
Total	\$ 24,337,088	\$ 6,401,722	\$ 7,219,365	\$ 6,300,272	\$ 27,865,729	\$ 72,124,176	100.0%

Greenville County (All Areas Including City of Greenville)
Building Permit Data
1996-2000

No. of Units	1996	1997	1998	1999	2000	Total	% of Total
Single Family	2,501	2,357	2,817	2,396	2,822	12,893	80.8%
Two Family	80	140	54	14	36	324	2.0%
Three & Four Family	21	26	9	12	3	71	0.4%
5+ Family	1,238	451	15	414	550	2,668	16.7%
Total	3,840	2,974	2,895	2,836	3,411	15,956	100.0%
Value of Construction	1996	1997	1998	1999	2000	Total	% of Total
Single Family	\$ 207,929,060	\$ 208,082,499	\$ 249,836,270	\$ 273,488,797	\$ 253,613,112	\$ 1,192,949,738	79.0%
Two Family	\$ 2,248,171	\$ 6,168,511	\$ 2,940,738	\$ 646,852	\$ 1,426,005	\$ 13,430,277	0.9%
Three & Four Family	\$ 638,700	\$ 1,202,374	\$ 445,387	\$ 686,075	\$ 98,000	\$ 3,070,536	0.2%
5+ Family	\$ 59,594,687	\$ 201,262,984	\$ 847,812	\$ 13,037,610	\$ 26,669,694	\$ 301,412,787	19.9%
Total	\$ 270,410,618	\$ 416,716,368	\$ 254,070,207	\$ 287,859,334	\$ 281,806,811	\$ 1,510,863,338	100.0%

Source: U.S. Census Bureau, 1996-2000

same period (Table 4-6). If the City is removed from the County totals, then only 10% of new housing units in other parts of the County were non-single family. In addition, while new single family housing starts in Greenville (295 units) represented just 2.3% of all new single family starts in the County (12,893 units), the City captured over 26% of all new multi-family starts during the 5-year period. If this trend continues, it could continue to alter the City's demographic composition and perhaps change the character of its neighborhoods.

Table 4-7
Building Permits Issued
Dunbar-West Greenville Study Area (1997-2002)

Type of Permit	1997	1998	1999	2000	2001	Total
Residential						
No. of Permits	5	2	2	4	2	15
Estimated Value of Permits	\$ 248,700	\$ 118,200	\$ 1,194,284	\$ 1,158,700	\$ 90,000	\$ 2,809,884
Commercial						
No. of Permits	0	0	1	2	2	5
Estimated Value of Permits	\$ -	\$ -	\$ 220,447	\$ 2,543,000	\$ 5,613,810	\$ 8,377,257

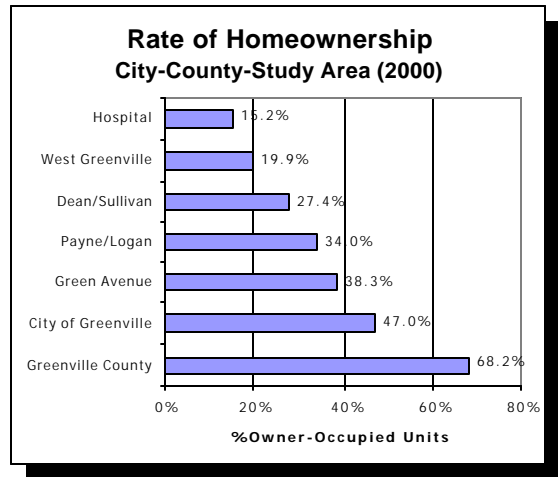
Source: City of Greenville Code Enforcement Office, 2002

Building permits issued in the study area between 1997 and 2001 show that very little new development activity has occurred over the past five years. On average, three new residential structures and one commercial structure have been built annually (Table 4-7). This data is consistent with other qualitative information gathered through interviews that the study area has not captured its fair share of private investment in recent years.

3. Homeownership Characteristics -

Another unique characteristic is the City's low percentage of owner-occupied housing units, which at 47% in 2000, falls 22% below the national homeownership rate (69%) and 21% below the rate in Greenville County (68%). The lack of homeownership has weakened some of the City's traditional neighborhoods, which is particularly true in the Dunbar Street/West Greenville study area, where homeownership rates are even lower. As shown in Figure 4-3, homeownership rates in the five neighborhoods that comprise the study area range from a low of 15.2% in the Hospital neighborhood to a high to 38.3% in the Green Avenue neighborhood.²

Figure 4-3



The issue of homeownership is also closely associated with race and income. Hispanics (30.9%) and African Americans (44.2%) had the lowest rate of homeownership in Greenville County in 2000. The same was generally true for other minority groups throughout the Upstate Region (Table 4-8). The potential threat to Greenville's neighborhoods from low homeownership rates cannot be understated. Simply put, homeowners have a direct financial stake in their property and thus they tend to be more motivated to protect, what is often, their largest financial investment.

Table 4-8

Rate of Homeownership by Race

South Carolina's Upstate Region (2000)

County	Total	White	Black	Am. Indian	Asian	Hispanic
Anderson County	76.30%	80.50%	55.30%	64.20%	51.20%	52.00%
Greenville County	68.20%	74.40%	44.20%	48.00%	52.70%	30.90%
Oconee County	78.40%	80.40%	60.20%	57.40%	64.40%	43.50%
Pickens County	73.50%	75.90%	52.90%	68.80%	20.50%	43.80%
Spartanburg County	72.00%	78.00%	50.10%	55.70%	65.50%	41.30%

Source: U.S. Census, 2000

² City of Greenville Housing Strategy, Dr. J. T. Farris, Community Development Consultant, 2000 and 2000 U.S. Census.

Accordingly, homeowners are more inclined to maintain their property, make repairs, and report complaints to public officials when problems arise in their neighborhoods. Renters, on the other hand, tend to be more transient and do not possess the same financial interest in their homes. Also, they are not typically responsible for repairing and maintaining their units. If landlords chose to defer maintenance on their properties, they may have to reduce their rents to keep their units occupied. However, if the demand for lower cost, lower quality rental units is high, the overall quality of the City's neighborhoods can decline over time. This is what has happened in the Dunbar-West Greenville study area.

Table 4-9 indicates that less than 25% of all study area housing units were occupied by homeowners and only 34.6% of single-family units were owner-occupied in 2000. Despite lower property values in this area, owner-occupied, single-family units have a higher median value than renter occupied, single-family units. The City has undertaken a number of neighborhood initiatives that have created homeownership opportunities. The results of these projects have increased property values and stabilized the surrounding neighborhoods. While the demand for low cost rental housing is high in the study area, greater efforts are needed to increase the level of homeownership and to curb future decline.

Table 4-9
Dunbar-West Greenville Study Area Neighborhood Housing Profile
Homeownership Rate and Median Housing Values (2000)

	W. Greenville	Payne/Logan	Hospital	Green Ave.	Dean/Sullivan	Total
Total Units	619	144	231	209	190	1,393
SF Units	359	101	158	194	167	979
MF Units	260	43	73	15	23	414
% SF Units	58.0%	70.1%	68.4%	92.8%	87.9%	70.3%
% MF Units	42.0%	29.9%	31.6%	7.2%	12.1%	29.7%
% Homeownership - All Units	19.9%	34.0%	15.2%	38.3%	27.4%	24.3%
% Homeownership - SF Units	34.3%	48.5%	22.2%	41.2%	31.1%	34.6%
Med. Value SF Owner	\$ 27,797	\$ 24,384	\$ 24,313	\$ 28,134	\$ 10,501	-
Med. Value SF Renter	\$ 17,527	\$ 25,666	\$ 22,868	\$ 15,957	\$ 7,660	-

Source: City of Greenville Housing Strategy, 2000

4. **Non-Family Households** - Another interesting characteristic of Greenville's population is the large percentage of non-family households. Approximately 48.4% of all Greenville households in 2000 were occupied by non-related individuals (i.e., roommates, unmarried couples, and individuals). Nearly 41% of all households in the City were occupied by a householder living alone. These percentages were much higher than the Greenville-Spartanburg-Anderson Co. MSA, where non-family households accounted for 30.2% and single householders represented 25.4%. The presence of Bob Jones University in the City likely inflates these figures to some degree, but the data suggest that Greenville's unique demographic characteristics may be impacting the stability of some of its neighborhoods.
- b.) Age of Housing Stock

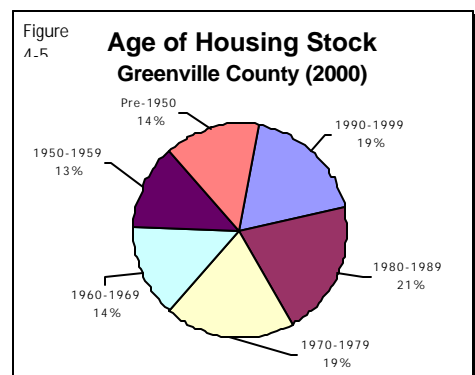
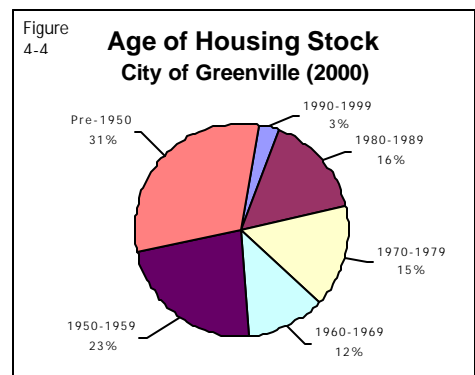
The City of Greenville's housing stock is continuing to age, with only a small number of new units being constructed to replace the older stock. Given the fact that Greenville is an urbanized area, and there are fewer opportunities to build new housing, it is

understandable that the City would have a higher percentage of older housing units. In fact, one of Greenville's great opportunities is the revitalization of its historic neighborhoods, which if successful, will attract new residents to the City and will result in the renovation of many existing homes. These types of activities have already occurred in neighborhoods such as Hampton-Pinckney, Pettigru, and Overbrook, and will continue to be an important part of the City's housing strategy.

However, one of the reasons why the City has been losing ground to its suburban communities is its lack of newer, moderately-priced single family housing located in stable neighborhoods. It is much easier and more cost effective for developers to build income-targeted subdivisions in the suburbs, near major employment centers, shopping, and commuting routes, with the space and amenities that homebuyers' desire. In addition, there is a high-end market that is looking for larger, more expensive homes just outside the City. It's likely that many of these higher-end homebuyers work in Greenville, but prefer to live and educate their children in these smaller communities. Much of the recent higher end home construction and sales activity has been occurring east of Greenville, in a area north and south of Interstate 85 and east of I-385. More moderately-priced housing has been constructed and sold in southern portions of Pickens County off Route 123, as well as the communities of Simpsonville and Mauldin.

As Figures 4-4 and 4-5 show that the largest percentage of housing units in the City of Greenville (31%) were built prior to 1950. In comparison, only 14% of housing units in the rest of the County were 50 years or older. Although detailed housing data from the 2000 Census have not yet been released, RKG Associates, estimated the number of new housing units constructed during the last decade by subtracting the total housing units in 2000 from the total in reported 1990. The resulting number represents those new units added during the 1990s that would have been less than 10 years old at the time the census was taken in 1999. Due to the lack of reliable housing demolition estimates, it is likely that the actual age distribution of housing differs slightly from the data shown in Figures 4-4 and 4-5, and this has likely resulted in a slight undercount of the City's newer housing units and a slight overcount of its older units.

In any event, the data clearly illustrate the difference in age between the County and the City's housing stock. The percentage of newer homes in the County is much greater than in the City, as roughly 39% (63,406 units) of all housing units in the County were constructed after 1980, while only 18.7% or 5,112 units were constructed in the City during that same period. Given the fact that over 53% of Greenville's housing units are



occupied by renter households, the future of the City's neighborhoods, and the stability of its residential tax base, rests squarely on the shoulders of the landlord and the rental housing community. Their ability to upgrade and maintain their properties in the future is vital to the continued health of the community and the City's ability to retain and attract productive citizens to Greenville.

c) Study Area Residential Properties

The Dunbar-West Greenville study area contains 1,019 properties classified as residential in use. Not all of these properties contain housing units and are classified as vacant. According to County property assessment records, nearly 2.1 million SF of residential building space is located on 220 acres. Property assessment records estimate the market value of all residential properties within the study area to be in excess of \$43.3 million in 2001 (Table 4-10).

Approximately 92% of all residential properties in the study area are classified as single family housing, with the remaining 8% classified as either duplex, 3-4 family, or 5 and more family units. The average market value per single family property in 2001, including land and building, was estimated at roughly \$36,600. On a per square foot basis, single family properties had the highest value at \$21.77/SF. Overall, residential properties in the study area had an average market value of only \$20.75/SF, which would be significantly below the actual cost to replace the existing structures in today's market.

According to Greenville Housing Futures, a local non-profit housing developer, the cost of constructing a basic 1,200 SF home for low and moderate-income families is approximately \$65,000. The cost of constructing these units does not include the cost of the lot, which is generally donated by the City of Greenville. Even at this basic level of construction, the average cost to build a small home is over \$54/SF, or more three times the current market value (\$17.32/SF) of residential structures (excluding land) in the study area. In very general terms, the residential properties in these neighborhoods are severely underperforming and the result is undermining the City's residential tax base.

Table 4-10
Dunbar-West Greenville Study Area
Residential Property Inventory (2001)

Type of Office	No. of Properties	Building Sq. Ft.	Acres	Market Val. Building	Market Val. Land	Market Val. Total	Total Ass'd Val.	Market Value/SF
Single Family	933	1,568,942	164.01	\$ 29,409,953	\$ 4,741,324	\$ 34,151,277	\$ 1,620,240	\$ 21.77
Duplex	48	93,810	9.24	\$ 1,622,129	\$ 238,561	\$ 1,860,690	\$ 84,920	\$ 19.83
Multiplex	23	81,406	7.71	\$ 1,412,656	\$ 331,623	\$ 1,744,279	\$ 88,910	\$ 21.43
Apartments	15	342,770	39.11	\$ 3,714,432	\$ 1,840,370	\$ 5,554,802	\$ 167,480	\$ 16.21
Total Office	1,019	2,086,928	220.07	\$ 36,159,170	\$ 7,151,878	\$ 43,311,048	\$ 1,961,550	\$ 20.75

Percentage of Totals

Type of Office	No. of Properties	Building Sq. Ft.	Acres	Market Val. Building	Market Val. Land	Market Val. Total	Total Ass'd Val.	
Single Family	91.6%	75.2%	74.5%	81.3%	66.3%	78.9%	82.6%	-
Duplex	4.7%	4.5%	4.2%	4.5%	3.3%	4.3%	4.3%	-
Multiplex	2.3%	3.9%	3.5%	3.9%	4.6%	4.0%	4.5%	-
Apartments	1.5%	16.4%	17.8%	10.3%	25.7%	12.8%	8.5%	-
Total Office	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: Greenville County Property Assessment records, 2001 and RKG Associates, Inc., 2002

d.) Residential Demand and Sales Activity

RKG Associates conducted an analysis of recent residential sales activity in the study area to identify the rough demand for housing and to compare selling prices against current market values. Between 1998 and 2001, approximately 86 separate arms-length sales were transacted, for an average of 22 sales per year (Table 4-11). The data obtained from property assessment records only reported the latest sale for each property, which may have suppressed some sales activity if properties sold more than once during the 4-year study period. Another 178 separate sales transactions apparently occurred between 1998 and 2001, but no sales prices were reported. Either these sales were not at arm's length or the County's property assessor did not capture the data.

Table 4-11
Dunbar-West Greenville Study Area
Residential Sales (1998-2001)

Year of Sale	No. of Sales	Building Sq. Ft.	Total Sales Value	Total Market Value	Sales Value as % of MV	Sales Value/SF
2001	22	52,394	790,612	\$ 1,132,330	69.8%	\$ 15.09
2000	20	27,601	339,610	\$ 704,865	48.2%	\$ 12.30
1999	28	51,519	545,342	\$ 1,101,118	49.5%	\$ 10.59
1998	16	56,147	617,258	\$ 814,250	75.8%	\$ 10.99
Total Office	86	187,661	2,292,822	\$ 3,752,563	61.1%	\$ 12.22

Percentage of Totals

Year of Sale	% of Tot. Sales	% of Total Bldg. SF	% of Total Sales	% of Total Market Value
2001	25.6%	27.9%	34.5%	30.2%
2000	23.3%	14.7%	14.8%	18.8%
1999	32.6%	27.5%	23.8%	29.3%
1998	18.6%	29.9%	26.9%	21.7%
Total Office	100.0%	100.0%	100.0%	100.0%

Source: Greenville County Property Assessment records, 2001 and RKG Associates, Inc., 2002

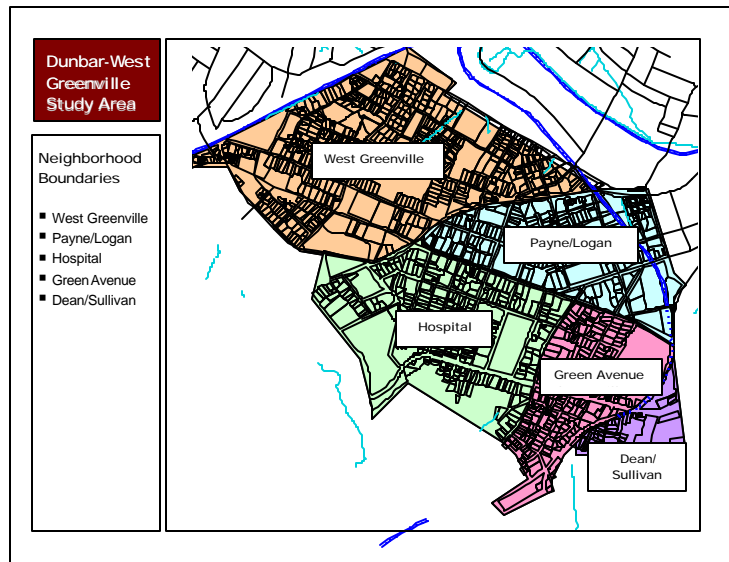
Of the 86 sales that were recorded, the actual combined sales value equaled just 61% of the current market value of these properties. While some change in market value may have occurred since the date of sale, it is unlikely that this value change has been significant across the board. While real estate prices have likely appreciated in other areas of the City, prices in the study area has continued to decline, which is reflected in its very low property values. The average sales price per square foot for all sales was \$12.22/SF.

C. EVALUATION OF NEIGHBORHOOD CONDITIONS & REVITALIZATION OPPORTUNITIES

1. Land Use Characteristics

The study area is comprised of five separate city neighborhoods including West Greenville, Hospital, Green Avenue, Payne/Logan and a portion of the Dean/Sullivan neighborhood (Map 4-1). As shown in Table 4-12, over 57% of the study area's 1,784 properties and 44% of its 4.6 million square feet of building space are classified as residential uses. Non-residential uses, including institutional and government uses, comprise only 11.8% of total properties but account for over just fewer than 50%

Map 4-1



(2.2 million SF) of total building square footage. This is largely due to the much larger size of non-residential structures such as churches, manufacturing plants, and schools.

A significant number of service businesses and institutional uses are present in the study area. The presence of St. Francis Hospital on the fringes of the study area makes medical and health services a major land use, but there are a number of independent medical offices, which contribute this figure as well. Also, there are a number of faith-based and social service organizations that are prominently located within the study area. While a significant number of residents rely on the assistance provided by these organizations, their visible presence has contributed to a perception that local families and residents are “at risk” or in some way reliant on public or nonprofit assistance. While these social service and faith-based organizations play a vital role in the community, their concentration in the Dunbar-West Greenville study area is unintentionally perpetuating an image problem that could impede the City's ability to revitalize this area.

The pattern of land uses in the study area, which is shown in Map 4-2, reveals a large number of vacant parcels. Based on field inspections conducted by MCA Urban Planning, it is estimated that as many as 555 parcels have either no building on site or the structure is vacant. As a land use category, “vacant” is the second largest land use category after residential, and accounts for over 31% of all properties and 25% of the land acres in the Dunbar-West Greenville study area. How these vacant properties are redeveloped in the future will be important to the success of the City's revitalization efforts. While many of these vacant parcels are parking lots or driveways, a large percentage have been created as a result

of demolition activity or have been abandoned over time. A more thorough examination of vacant parcels follows later in this chapter.

2. Commercial Corridors & Districts

While this analysis has focused on the five neighborhoods that comprise the study area, the area functions quite differently from a commercial market perspective. In this context the Dunbar-West Greenville area is less a collection of residential neighborhoods and more a series of commercial corridors, districts, and small concentrations of commercial activity. This section describes these areas and their market orientation.

a.) Pendleton Street Corridor












As shown in Map 4-2, the main commercial corridor is Pendleton Street, which runs from Greenville's West End District and continues out to West Greenville as it reaches the City/County line. This corridor is comprised of a number of retail, office, and private/nonprofit agencies, which are located along the road frontage. Despite Pendleton Street's importance as the main commercial corridor, there are areas where the commercial uses are interrupted by public uses, vacant lots, or residential properties. While there are pockets of commercial activity, there are no areas that are considered commercially strong. From a revitalization perspective, the eastern end of Pendleton Street near the West End District will likely experience revitalization pressure before other sections of the corridor. As the West End attracts new reinvestment and buildings are leased and sold, businesses and investors will look for other properties along Pendleton Street. With the City's plans to undertake streetscape improvements along Pendleton and Augusta Streets, from the West End to Vardry Street, this portion of the study area will have the most immediate revitalization opportunity. A number of properties are currently vacant or for sale/lease between the former Leed's Lumber property up to Anderson Street and appear to be ripe for redevelopment once the streetscape is improved and the West End revitalization resumes.

b.) Green Avenue Street Commercial District

The Green Avenue Street Commercial District is a small collection of commercial establishments located at the corner of Green Avenue and Nelson Street. The small district includes a neighborhood grocery store, Bell's Furniture Store, a BP service station and home heating oil business, and other assorted businesses. The grocery store has become a gathering place for local residents and has been a source of problems for the Greenville Police Department due to repeated incidences of loitering, public drunkenness, drug activity, and public indecency.

Map 4-2

Land Use

-  City Limits
 Study Area
- Land Use
-  Vacant
 -  Single-Family
 -  Multi-Family
 -  Office
 -  Retail/Service
 -  Public
 -  Private/Non-Profit
 -  Industrial
 -  Vacant Building

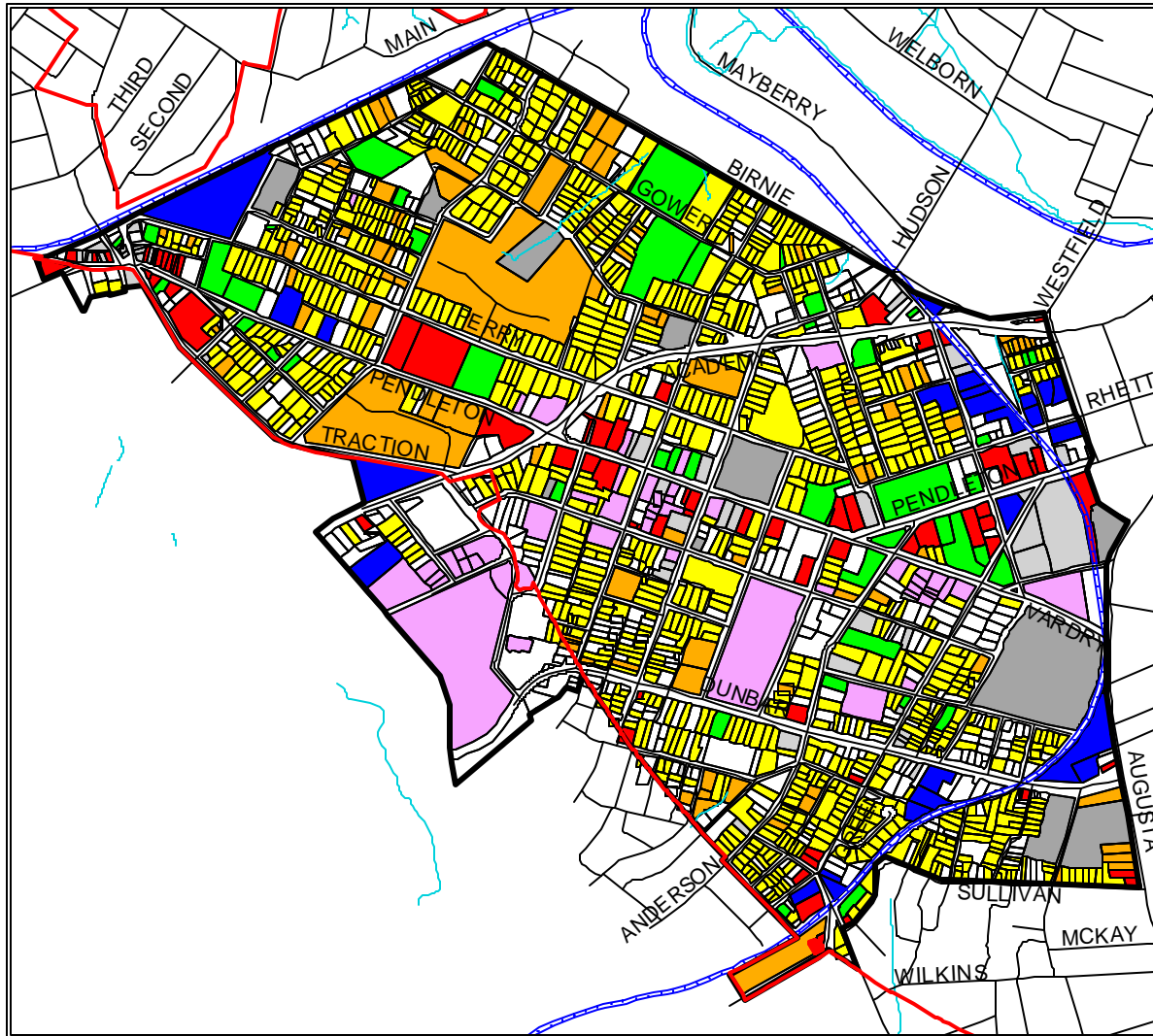
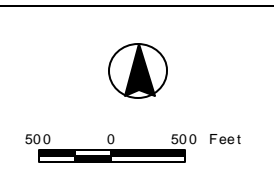


Table 4-12
Distribution of Land Uses
Dunbar-West Greenville Study Area

San Jose West Creek Mills Study Area							% of Totals		
SIC No.	Industry/Use	Parcels	Acres	Bldg SF	Total FMV	FMV/SF	Parcels	Bldg SF	Total FMV
Construction, Manufacturing & Wholesale Trade									
15	Construction	2	2.31	31,810	\$ 191,420	\$ 6.02	0.11%	0.69%	0.23%
20	Manufacturing	9	12.50	187,186	\$ 2,111,040	\$ 11.28	0.50%	4.03%	2.52%
30	Storage	6	2.73	66,976	\$ 335,209	\$ 5.00	0.34%	1.44%	0.40%
42	Trucking	3	1.21	8,129	\$ 137,011	\$ 16.85	0.17%	0.18%	0.16%
50	Wholesale	2	1.10	22,837	\$ 222,203	\$ 9.73	0.11%	0.49%	0.27%
	Subtotal	22	19.85	316,938	\$ 2,996,883	\$ 9.46	1.23%	6.83%	3.58%
Retail Trade									
52	Bldg Materials	1	0.06	2,293	\$ 27,070	\$ 11.81	0.06%	0.05%	0.03%
54	Food Store	9	2.85	25,884	\$ 612,574	\$ 23.67	0.50%	0.56%	0.73%
55	Automotive & Gas	13	6.35	69,232	\$ 1,783,096	\$ 25.76	0.73%	1.49%	2.13%
56	Apparel, Accessories	4	0.85	12,515	\$ 194,212	\$ 15.52	0.22%	0.27%	0.23%
57	Furniture, Appliance	9	1.91	48,867	\$ 512,360	\$ 10.48	0.50%	1.05%	0.61%
5812	Dining	4	1.46	9,233	\$ 441,382	\$ 47.80	0.22%	0.20%	0.53%
5813	Drinking	2	0.24	6,092	\$ 118,188	\$ 19.40	0.11%	0.13%	0.14%
59	Specialty Retail	12	2.36	43,516	\$ 739,167	\$ 16.99	0.67%	0.94%	0.88%
5912	Drug Store	1	0.08	3,081	\$ 109,740	\$ 35.62	0.06%	0.07%	0.13%
5921	Liquor Store	2	0.77	3,520	\$ 194,511	\$ 55.26	0.11%	0.08%	0.23%
	Subtotal	57	16.93	224,233	\$ 4,732,300	\$ 21.10	3.20%	4.83%	5.65%
Finance, Insurance & Real Estate and Services									
60	Financial/Insurance/Real Es	5	1.30	10,577	\$ 464,609	\$ 43.92	0.28%	0.23%	0.55%
72	Personal Services	20	6.39	49,599	\$ 1,292,509	\$ 26.06	1.12%	1.07%	1.54%
73	Professional Services	10	6.15	64,148	\$ 3,260,060	\$ 50.82	0.56%	1.38%	3.89%
80	Medical, Health	25	16.80	147,344	\$ 5,308,890	\$ 36.03	1.40%	3.17%	6.34%
81	Hospital	12	18.82	556,286	\$ 4,019,443	\$ 7.23	0.67%	11.98%	4.80%
	Subtotal	72	49.46	827,954	\$ 14,345,511	\$ 17.33	4.04%	17.84%	17.13%
Institutional & Government									
7991	Recreation	4	8.97	55,695	\$ 814,784	\$ 14.63	0.22%	1.20%	0.97%
84	Cultural/Museum	1	0.29	2,011	\$ 49,585	\$ 24.66	0.06%	0.04%	0.06%
95	Government	5	6.87	48,957	\$ 870,271	\$ 17.78	0.28%	1.05%	1.04%
96	Church/Religious Organizati	37	27.03	373,445	\$ 3,116,089	\$ 8.34	2.07%	8.05%	3.72%
97	Social Services	9	6.47	66,225	\$ 965,390	\$ 14.58	0.50%	1.43%	1.15%
98	School	3	13.87	322,515	\$ 1,584,040	\$ 4.91	0.17%	6.95%	1.89%
	Subtotal	59	63.50	868,848	\$ 7,400,159	\$ 8.52	3.31%	18.72%	8.84%
Vacant Land & Buildings									
991	Vacant Office Building	16	3.34	49,189	\$ 926,821	\$ 18.84	0.90%	1.06%	1.11%
992	Vacant Retail/Comm.	37	6.26	99,374	\$ 2,133,010	\$ 21.46	2.07%	2.14%	2.55%
993	Vacant Industrial/WHS	10	10.53	204,851	\$ 1,845,443	\$ 9.01	0.56%	4.41%	2.20%
999	Vacant Land	492	103.31	-	\$ 6,054,687	\$ -	27.58%	0.00%	7.23%
	Subtotal	555	123.45	353,414	\$ 10,959,961	\$ 31.01	31.11%	7.61%	13.09%
Residential									
1100	Residential Single-Family	933	164.01	1,532,261	\$ 34,151,277	\$ 22.29	52.30%	33.01%	40.78%
120	Apartments	15	39.11	342,770	\$ 5,554,802	\$ 16.21	0.84%	7.38%	6.63%
110	Residential Duplex	48	9.24	93,810	\$ 1,860,690	\$ 19.83	2.69%	2.02%	2.22%
112	Residential Multiplex	23	7.71	81,406	\$ 1,744,279	\$ 21.43	1.29%	1.75%	2.08%
	Subtotal	1,019	220.07	2,050,247	\$ 43,311,048	\$ 21.12	57.12%	44.17%	51.72%
TOTAL - ALL USES		1,784	493.26	4,641,634	\$ 83,745,862	\$ 18.04	100.00%	100.00%	100.00%

Source: Greenville County Property Assessment Records, 2001 and MCA Urban Planners, 2002

For all intents and purposes, the Green Avenue commercial district no longer meets a viable commercial need and is not well positioned to serve the neighborhood in the future. While the grocery store caters to the neighborhood's convenience shopping needs, the store is not well stocked and carries only a limited selection of goods.

From a planning perspective, this district exhibits more of a residential character and the City should encourage new housing development in this area. The Genesis Court Phase I project completed in 1994, created 22 affordable homeownership opportunities in a small subdivision off Green Avenue and is viewed by the neighborhood as a success. Additional projects of this type are needed in the study area and the City is planning two additional phases of affordable housing development that will include 96 market rate affordable homes and 48 owner and renter occupied rehabilitated units over the next five years. In order to accomplish this project, the City's Community Development and Relations Division propose to acquire 85 parcels and demolish up to 74 substandard units.³

The Eagle Iron Works facility at the corner of Green Avenue and Dunbar Street should also be encouraged to change use over time. While there is no immediate need to relocate or change the use of this property in the near term, the Dunbar Street corridor is mostly residential in nature and Eagle Iron Works property could better complement the neighborhood if it were changed to a residential use.

c.) West Greenville Commercial District

The West Greenville Commercial District is perhaps the most recognizable commercial district in the study area. The district is comprised of roughly 42 properties that form a charming collection of commercial storefronts. While there are several retail establishments operating in this district, field observations and interviews indicate that there are a considerable number of vacant storefronts. Those businesses that have enjoyed some success have either been in business for many of years and have an established clientele base or they have carved out a niche market for themselves. In either case, the retailers in this area do not achieve the sales volumes that would be necessary to attract other established retailers to the district. These are mostly small, family-owned businesses that largely cater to the needs of the neighborhood. Conversations with property owners indicate that there is a parking problem in the district, due to a lack of on-street parking. While there may be opportunities to remove some buildings to accommodate parking, lot, shared parking agreements among property owners in this area might alleviate the problem indefinitely. While this district offers unique opportunities, it does not appear to be ripe for redevelopment at this time.

d.) Wardlaw, Rhett & Markley Industrial District

A small collection of industrial/warehouse buildings are located along the rail line in the Wardlaw, Rhett and Markley Streets area near the West End District. There are a number of vacant structures and the enclave is surrounded by residential and commercial uses. While there is not a lot of activity in this district, there is the potential to market

³ Rodney Tucker and Margaret Marshall, Green Avenue Neighborhood Revitalization Strategy, City of Greenville Community Development and Relations Division, 2001.

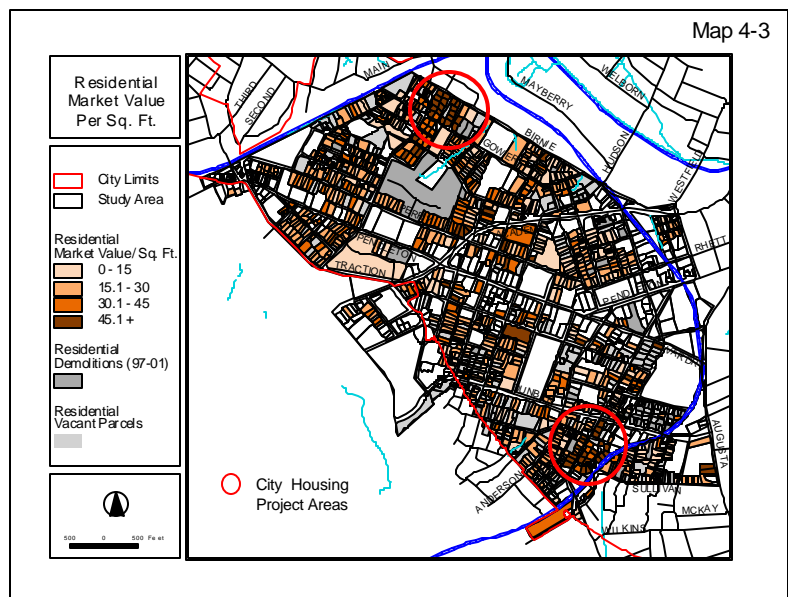
these properties to small businesses in need of lower cost space. If the West End District continues to revitalize and the Leed's Lumber site changes use, there may be increased redevelopment pressure on this district.

e.) Academy Street Corridor

On the face, the Academy Street corridor appears to have the best opportunity to capture new commercial development. Given the popularity of Academy Street as a commuting corridor, which provides a direct link to Downtown Greenville from points west, it would seem logical that some commercial development could be captured in this corridor. However, the orientation of frontage lots along a stretch of Academy Street are angled due to the way the road was cut through the neighborhood. In effect, lots have been split diagonally and none of the structures are oriented to the street. While it is likely that some frontage lots could be reconfigured to address this problem, much of the corridor abuts residential properties. Perhaps the best redevelopment opportunities exist around St. Francis Hospital, where the hospital is expanding its facilities.

3. Property Values and Conditions

Property values in the Dunbar-West Greenville study area are very low for both residential and non-residential uses. In order to illustrate this point, MCA Urban Planning calculated per square foot market values for each property in the study area, segmented the database into residential and non-residential uses, and then mapped the parcel data with the use of GIS software.⁴



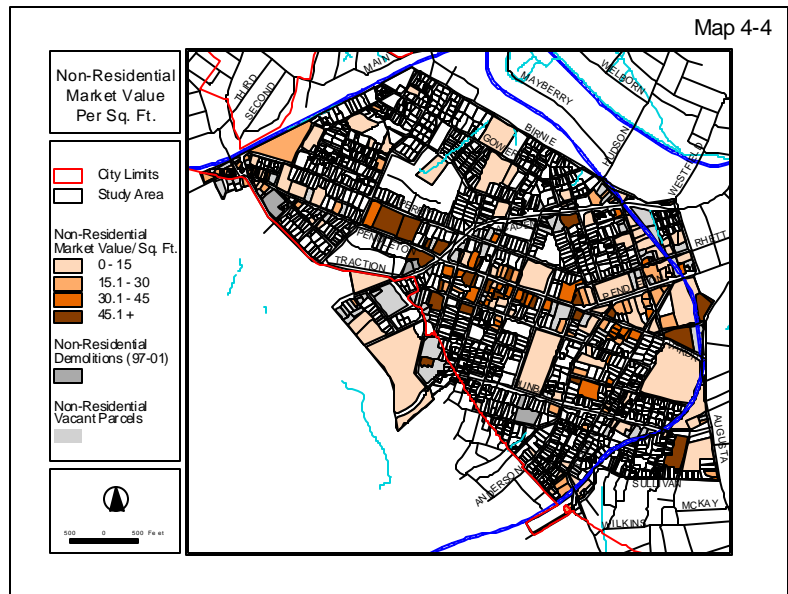
The results of the analysis show where there are pockets of substandard properties within the study area. The lowest value category was set at \$0 to \$15/SF and the highest was set at \$45+/SF.

With residential market values falling in the \$18/SF to \$22/SF range, it is not surprising that many of the properties fall into the first two value categories. What is interesting, however, is that two concentrated residential areas show noticeably higher values. Those include Genesis Court off Green Avenue and the Queens-Carpenter Streets area in West Greenville (Map 4-3). Not surprisingly, these are two areas where the City's Community Development Division has completed neighborhood revitalization projects, and dozens of new affordably

⁴ Property values were calculated from property assessments, which may be less than current market value.

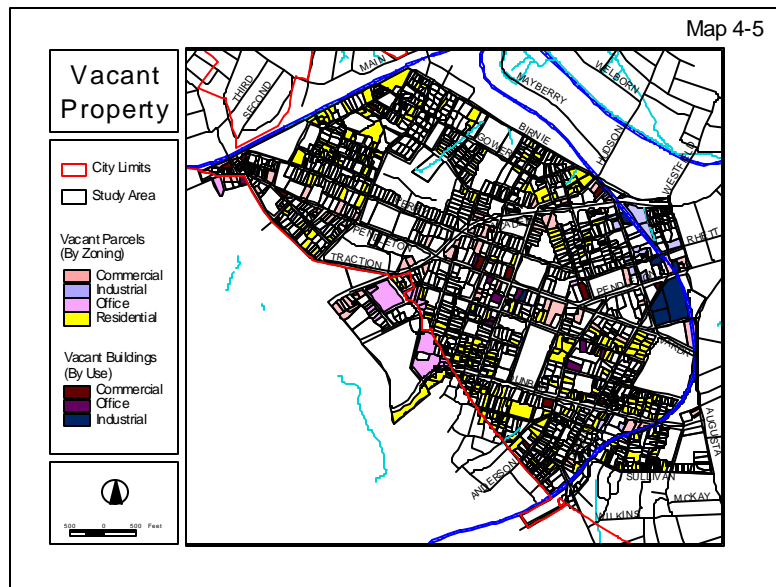
priced homes have been constructed and sold to income eligible families. Field inspections confirm that these two areas possess some of best quality housing in the study area, and thus their market values reflect the higher end of the value range.

Map 4-4 shows that the highest non-residential property values are generally located along the Pendleton Street corridor and on Vardry and Augusta Roads. The lowest property values consist of mostly vacant properties or parking lots and other parcels associated with an adjacent primary use such as a hospital, office building, or retail store.



4. Vacant Properties

One of the study area's greatest assets is its inventory of vacant and undeveloped parcels. An analysis of property assessment records shows that there are 492 vacant parcels in the study area. The data indicate that 383 or 78% of these parcels are actually vacant parcels (Map 4-5). The remaining 109 parcels were identified through field inspections as either parking lots, railroad right-of-ways, parks, church property, or a cell tower site.



The high number of vacant properties is attributable to a number of factors including 1) property abandonment, 2) redevelopment, 3) destruction by fire, 4) undevelopable lot, or 5) building condemnation and demolition. City demolition records indicate that at least 45 properties have been demolished in the study area since 1997. These properties totaled over 1.2 million square feet of building space. Additional demolition may be necessary in the future, particularly for properties where rehabilitation is financially unfeasible.

5. Criminal Activity & Recent Trends

One of the strongest perceptions about the Dunbar-West Greenville study area is that it's one of the City's highest crime areas. Incidences of prostitution, vandalism, robbery, and the fatal shooting of a police officer have contributed to this negative perception in recent years. During the course of this study, a number of local residents expressed concerns that the community's perceptions about the area were far worse than reality. In order to evaluate this situation, and its affects on quality of life and future revitalization efforts, RKG Associates met with Greenville Police Chief Willie Johnson. The Chief reported that the study area has had crime problems in the past and the area consistently ranks second behind the Haywood Road area in the number of reported offenses. However, the majority of service calls in the Haywood Road area are related to motor vehicle accidents and moving violations, due to the high traffic volumes in and around the mall.

Annual crime data obtained from the Greenville Police Department shows that the top 15 criminal offenses reported in the study area between 1997 and 2001 accounted for 61% of all offenses. The total number of offenses during the 5-year study period equaled 15,816, with the top offenses including vandalism, motor vehicle violations, robbery, assault, drugs, prostitution, and other crimes (Table 4-13). The incidence of homicide in the study area has ranged from a low of zero to a high of 5 in one year. A high profile shooting of a local police officer in this area has received a lot of press and has drawn more attention to violent crime in the study area.

Relative to crime trends, the police department reports that there has been a 25% decline in criminal activity over the past five years, as the total numbers of offenses have dropped from 2,200 in 1997 to roughly 1,600 in 2001. Only vandalism and larceny have increased since 1997. Despite recent reductions in crime activity, the City and its residents need to do much more to reduce crime in the study area. Although local perceptions may be worst than reality, it is perceptions that will influence the visitation and buying decisions of future homeowners, developers, and customers. In order to counter these negative images, the City and Dunbar-West Greenville residents and businesses must begin communicating a more positive message about the study area and its people, businesses, and institutions.

Table 4-13
West Greenville-Dunbar Street Area
Top 15 Criminal Offenses (1997-2001)

	Total
1 Destruction-Damage-Vandalism	1,456
2 All Traffic Viol Except DUI	950
3 Burglary-B&E	920
4 Trespass of Real Property	843
5 Drug/Narcotics-Undercover	823
6 Assault Offenses - Simple	677
7 Assault Offenses - Aggravated	638
8 Larceny/Theft-From Other/RR Brkng	625
9 Larceny/Theft-From Vehicle	557
10 False Information	404
11 Drug/Narcotics-Equipment	394
12 Robbery	359
13 Prostitution-Solicitation	340
14 Motor Vehicle Theft	336
15 Other Responses	332
Total Top 15 Offenses	9,654
All Other Offenses	6,162
TOTAL OFFENSES	15,816

Top Offenses as Percentage of Total Offenses
1997-2001

	Total
1 Destruction-Damage-Vandalism	9.2%
2 All Traffic Viol Except DUI	6.0%
3 Burglary-B&E	5.8%
4 Trespass of Real Property	5.3%
5 Drug/Narcotics-Undercover	5.2%
6 Assault Offenses - Simple	4.3%
7 Assault Offenses - Aggravated	4.0%
8 Larceny/Theft-From Other/RR Brkng	4.0%
9 Larceny/Theft-From Vehicle	3.5%
10 False Information	2.6%
11 Drug/Narcotics-Equipment	2.5%
12 Robbery	2.3%
13 Prostitution-Solicitation	2.1%
14 Motor Vehicle Theft	2.1%
15 Other Responses	2.1%
Total Top 15 Offenses	61.0%
All Other Offenses	39.0%
TOTAL OFFENSES	15,816

Source: Greenville Police Department & RKG Associates, Inc.

6. Neighborhood Strengths and Revitalization Obstacles

This section summarizes the competitive strengths and revitalization obstacles that currently exist in the study area. The City's ability to capitalize on these strengths and minimize the weaknesses will contribute to the success of neighborhood revitalization efforts.

Competitive Strengths

- Close proximity to the Greenville central business district and the thousands of workers employed in the district;
- Proximity to the West End District revitalization;
- The City's plans to make comprehensive streetscape improvements along Pendleton and Augusta Road, from the West End District to roughly Vardry Road;
- The catalyst potential of the Relax Inn and former Greenville General Hospital site as a location for new development;
- The presence of dozens of faith-based and social service organizations that provide assistance to study area residents;
- The presence of St. Francis Hospital as a strong and expanding local employer;
- The large number of low cost, building lots for infill development;
- The existence of low cost building space for lease or for sale to cost sensitive end users/businesses;
- The redevelopment potential of the former Leed's Lumber site located in the West End;
- A Community Development Division that is effective and committed to undertake revitalization activities in the study area;
- Declining crime rates over the past five years; and
- The strong commitment of neighborhood residents to see revitalization occur within the study area.

Revitalization Obstacles

- Lack of convenient and direct access to major transportation routes;
- Very little private and public reinvestment in the study area;
- Low homeownership rates among residents and generally poor housing conditions;
- Lower income and spending potential of study area households and a declining number of households;
- A lack of steady leadership and coordination among nonprofit, social service, and faith-based groups in the study area;
- An over reliance on City government to initiate most revitalization activities;
- Limited funding for community development activities and the need for more partnering organizations to leverage greater results from the City's neighborhood revitalization activities;
- The limited capacity of neighborhood associations to identify and implement grass roots community development projects on their own; and

-
- A high incidence of crime, poor community perceptions, and a lack of positive news relative to the study area neighborhoods.

2002 Dunbar-West Greenville Implementation Matrix	Implementation Partners		Implementation Timing			Est. Cost
	Public	Private/NP	1-5 Yrs.	5-10 Yrs.	10-20 Yrs.	
COMMERCIAL REVITALIZATION						
GOAL: To diversify the study area's business base in order to increase employment, animate the street scene, create opportunities for entrepreneurs, and better serve the needs of local residents						
Action 1: Actively recruit small retailers to occupy ground floor space in the West Greenville commercial district	CDC	RE,PO	<div></div>			A
Action 2: Seek partnership with the BILO or other company to bring a neighborhood supermarket/drug store to the study area.	ED/CD, GLDC	PD	<div></div>			A
Action 3: Seek developer interest to construct a professional office/incubator facility at the Relax Inn site	ED/CD	PD	<div></div>			B
Action 4: Consider the creation of a West Greenville artisan district to attract local artists and craftsmen to lower cost storefronts in the district.	ED/CD	PO	<div></div>			C
Action 5: Seek a partnership with the owner's of the former Leed's Lumber site to redevelopment the property as mixed-use development	ED/CD, GLDC	PD,PO	<div></div>			B
GOAL: To improve the condition, appearance, and functional use of commercial buildings in the study area in order to diversify the business mix, achieve higher occupancy, and improve the value and overall economic viability of commercial properties						
Action 1: Establish façade improvement loan program for study area commercial buildings	ED/CD	PO	<div></div>			C
Action 2: Promote wider use of historic tax credit program to improve and preserve historic commercial structures	ED/CD	PO	<div></div>			A
Action 3: Continue streetscape improvements in study area to stimulate new commercial reinvestment	ED/CD		<div></div>			F
GOAL: Seek the redevelopment of key commercial sites within the study area as opportunities arise						
Action 1: Issue a solicitation for developer proposals for the redevelopment of the former Relax Inn and Greenville Hospital sites	ED/CD	PD	<div></div>			A
Action 2: Pursue redevelopment of other key sites for residential, commercial, or mixed uses. <ul style="list-style-type: none">Former Leed’s Lumber Site and surrounding properties,Industrial site on corner of Traction Street and Easley Bridge Road	ED/CD	PO,PD	<div></div>			B

2002 Dunbar-West Greenville Implementation Matrix	Implementation Partners		Implementation Timing			Est. Cost
	Public	Private/NP	1-5 Yrs.	5-10 Yrs.	10-20 Yrs.	
NEIGHBORHOOD RENEWAL						
<p>GOAL: To stabilize and restore the study area’s residential neighborhoods in a way that responds to the need for decent and safe housing, open space and recreation, historic preservation, and creates housing opportunities for existing and new residents of varying economic backgrounds.</p>						
<ul style="list-style-type: none">Building Rehabilitation/Adaptive Reuse/Historic Preservation						
Action 1: Establish housing rehabilitation revolving loan fund and grant program to rehabilitate owner- and renter-occupied units	ED/CD	PO				F
Action 2: Research history of Dunbar-West Greenville study area and identify key cultural elements and buildings for preservation	ED/CD	NA,C				A
Action 3: Promote wider use of historic tax credit program to improve and preserve historic homes	ED/CD	PO				A
Action 4: Convene meeting with local Realtors to discuss sales practices in lower income neighborhoods. Provide relevant information to Realtors about successful revitalization projects and City initiative	ED/CD	RE				A
Action 5: Designate new historic districts in Dunbar-West Greenville study area	ED/CD	PO,NA				B
<ul style="list-style-type: none">New Housing Development						
Action 1: Increase the capacity of nonprofit housing developers to construct more affordable housing in the study area	ED/CD	CDC,PO NPD				C
Action 2: Seek partnership arrangements with local affordable housing organizations or developers to pursue infill development opportunities	ED/CD	CDC,CH NPD				D
Action 3: As resources allow, begin land banking parcels that are either vacant, abandoned, or have severely substandard housing on site. Assemble parcels and solicit the interest of residential developers or nonprofit housing groups to create infill housing	ED/CD	CDC,NPD				D
Action 4: Solicit developer (for-profit & nonprofit) interest to construct new market rate and affordable housing at the former hospital site and in the Green Avenue neighborhood	ED/CD, GLDC	PD,CDC, NPD				B
Action 5: Carry out comprehensive neighborhood revitalization programs in the Green Avenue and West Greenville neighborhoods	ED/CD,	PO,PD, CDC,NPD				F

2002 Dunbar-West Greenville Implementation Matrix	Implementation Partners		Implementation Timing			Est. Cost
	Public	Private/NP	1-5 Yrs.	5-10 Yrs.	10-20 Yrs.	
NEIGHBORHOOD RENEWAL (continued)						
<ul style="list-style-type: none">Park and Open Space Development Action 1: Acquire parcels in existing neighborhoods for open space, pocket parks, or recreation areas. Ensure that all future neighborhood revitalization projects provide some recreation and open space. Action2: Create boulevard effect on Dunbar Street by reducing the width of the travel way and introducing a planted median.Preservation of Residential Character Action 1: Establish a private, non-profit historic preservation foundation to acquire, protect, and sell historic/architecturally significant homes in the City and study area. Action 2: Establish a partnership with landlords interested in selling their lower income units, by acquiring units on a programmed basis through City funds, local funding raising, donations, etc. The worst units should be razed and others should be rehabilitated or sold to quality rental property managers/landlords	ED/CD	PO	<div></div>			D
	ED/CD		<div></div>			F
	ED/CD	CDC,PO	<div></div>			D
	ED/CD	CDC,NA, RE,PO, NPD	<div></div>			E
GOAL: To increase the effectiveness of neighborhood associations by expanding the capacity and presence of local community development corporations (CDCs) in neighborhood revitalization						
Action 1: Expand the mission of the UNEDC or create a "New Era" CDC and hire an experienced director to address some of the smaller community development needs of the study area and to improve the implementation capabilities at the grassroots level	ED/CD	CDC	<div></div>			C
Action 2: Develop staff capabilities of the City's Community Development Division to assist and partner with new CDC organization(s)	ED/CD,NS	CDC	<div></div>			A
Action 3: Create and maintain an active property database of study area properties for sale and for lease and work with local property owners and real estate brokers to find tenants and new owners for this commercial and residential properties	ED/CD	CDC,RE, PO	<div></div>			A

2002 Dunbar-West Greenville Implementation Matrix	Implementation Partners		Implementation Timing			Est. Cost
	Public	Private/NP	1-5 Yrs.	5-10 Yrs.	10-20 Yrs.	
COMMUNITY INVOLVEMENT AND PROMOTION						
GOAL: To raise the level of interest in the study area, its businesses, and events through a cooperative program of marketing, promotion and special events	GPD	CDC,NA, BO,PO	<div></div>			B
Action 1: Create a Dunbar-West Greenville public relations campaign to accomplish the following: - Promote the successes and accomplishments of study area residents, businesses, and organizations - Counter act negative publicity about the study area - Keep elected officials informed about revitalization needs and progress		CDC,NA, PO	<div></div>			A
Action 2: Organize and stage at least one community-wide events per year that celebrates the history or Dunbar-West Greenville area or recognizes the accomplishments of local residents, businesses, or organizations		NA,PO,CH	<div></div>			A
Action 3: Provide stronger neighborhood support for City's community policing initiatives		NA,CDC, BO	<div></div>			A
Action 4: Establish a campaign to clean up the study area neighborhoods, streams, parks, and residential areas in the spring and fall						
CIRCULATION, PARKING & PUBLIC TRANSIT						
GOAL: To enhance the ability of shoppers and visitors to move freely and easily throughout the study area and find accessible parking near commercial areas	ED/CD GTA	PO,BO				
Action 1: Examine shared parking agreements in the West Greenville commercial district					<div></div>	A
Action 2: Seek increased public transit service in the Dunbar-West Greenville study area				<div></div>		Unk.
REGULATORY						
GOAL: To create a regulatory environment that allows for neighborhood revitalization without compromising the historical, architectural or neighborhood character of the study area	GPC	PO				
Action 1: Adopt a zoning scheme that will allow greater residential densities at the former Leed's Lumber and general hospital sites						A
Action 2: Enforce code violations relative to the on-site storage of miscellaneous materials, junk, or unregistered automobiles on study area properties.			FIRE, ED/CD	<div></div>		B
Action 3: Consider adopting minimum housing code standards for all residential properties in the City and impose compliance on the seller at the time of sale			GPC,FIRE	<div></div>		Unk.

2002 Dunbar-West Greenville Implementation Matrix		Implementation Partners		Implementation Timing			Est. Cost
		Public	Private/NP	1-5 Yrs.	5-10 Yrs.	10-20 Yrs.	
FUNDING AND INCENTIVES							
GOAL: To create new sources or redirect existing sources of funding in order to implement the neighborhood revitalization program and to provide a higher level of service to area businesses and property owners							
Action 1: Organize a consortium of local banks to create a low interest loan pool to assist building owners in renovating space for residential or commercial uses		ED/CD	CDC,B	■			F
Action 2: Seek the financial assistance of the United Way and other service organization to support the expansion of an existing, or the creation of a new ,CDC to serve the needs of the study area		ED/CD	UW	■			B
Action 3: Seek opportunities to fund improvements through the use of federal loan guarantees and other sources such as HUD Section 108, Economic Development Initiative grants, and Brownfield Economic Development Initiative grants		ED/CD	PO,PD	■			F
Action 4: Consider the issuance of municipal bonds to cover certain public improvements		FD				■	F
GOAL: To create a package of incentives to encourage new business relocations and start-ups in the study area							
Action 1: Consider establishing the following incentives for businesses locating or expanding in the study area: <ul style="list-style-type: none">• Graduated abatement of business license fees• Provide advertising matching grants• Business plan development and marketing assistance• Provide façade rehabilitation grants/loans• Development review and permitting assistance		ED/CD	PO,PD,BO CDC	■			Unk.
GOAL: To create a package of incentives to encourage greater home ownership rates, new households to locate in the study area and existing property owners to rehabilitate their properties							
Action 1: Consider establishing the following incentives for residential property owners locating in the study area and those reinvesting in their properties: <ul style="list-style-type: none">• Temporary property tax relief• Housing rehabilitation grant and revolving loan program• Historic district designation		ED/CD	NPD,PO, PD	■			Unk.

IMPLEMENTATION PARTNERS

Public Sector

ED/CD – Economic & Community Development Dept.
GLDC – Greenville Local Development Corporation
GTA – Greenville Transit Authority
GPD – Police Dept.
FIRE – Code Enforcement
NS – Neighborhood Services
FD – Finance Dept.
GPC – Greenville Planning Commission

Private/Non-Profit Sector

CDC – UNED
PO – Property Owners
RE – Real Estate Brokers/Agents
PD – Private Developer
NA – Neighborhood Association
C - Consultant
NPD – Nonprofit Developers
CH – Churches
UW – United Way
B – Banks
BO – Business Owners

COST KEY

(A) \$0-\$25,000
(B) \$25,000-\$50,000
(C) \$100,000-\$250,000
(D) \$250,000-\$500,000
(E) \$500,000-\$750,000
(F) \$1 million +
(Unk.) - Unknown

Note: Implementation Leaders in ***bold italics***

5 REVITALIZATION OPPORTUNITIES AND IMPLEMENTATION STRATEGY

A. INTRODUCTION

The chapter presents a series of revitalization opportunities that have been identified in conjunction with this study. While not all of these opportunities are ripe for implementation today, they may become implementable in the future as conditions change, funding becomes available, and as other revitalization successes occur. Large scale revitalization, such as that being planned for the Dunbar-West Greenville study area; requires a series of incremental actions that build on one another over time. The actions required to make positive change happen must be undertaken by a number of different organizations, government agencies, nonprofit groups, and private individuals. While the actions of these groups may not be coordinated by a single entity, they should be implemented within the context of some overarching strategy or purpose. The recommendations contained in this section constitute a unifying strategy that will set a new direction for the future of the Dunbar-West Greenville area.

B. REVITALIZATION OPPORTUNITIES

During the course of conducting this study, the consultants concluded early in the process that the Dunbar-West Greenville study area had many challenges to overcome. While there was clearly a need for expanded employment and shopping opportunities to better serve the local population, there were many other basic needs like housing quality, crime, neighborhood stability, and subsistence needs that also needed to be addressed. What initially began as a commercial corridor study evolved into a broader community development strategy that focused on a wider range of neighborhood needs.

The following revitalization opportunities deal with changes in the built environment, and include areas that could provide unique redevelopment opportunities that could address some of the study area's primary community and economic development needs.

1. Commercial Revitalization Opportunities

a.) Lower Pendleton Street Revitalization

The lower Pendleton Street area offers a number of commercial redevelopment opportunities due to its closer proximity to the Downtown and West End Districts (Map 5-1). The most important parcel in this area is the former Leed's Lumber site off

Pendleton and Augusta Streets. This large property has the potential to support a catalyst development that could re-ignite revitalization efforts in the West End and stimulate the reuse of several properties further down Pendleton Street. The most likely redevelopment scenario for the Leed's Lumber site would be a mixed-use development with a commercial and residential mix. Professional office space, back-office space, and perhaps an urban retailer use might be possible under the right conditions.



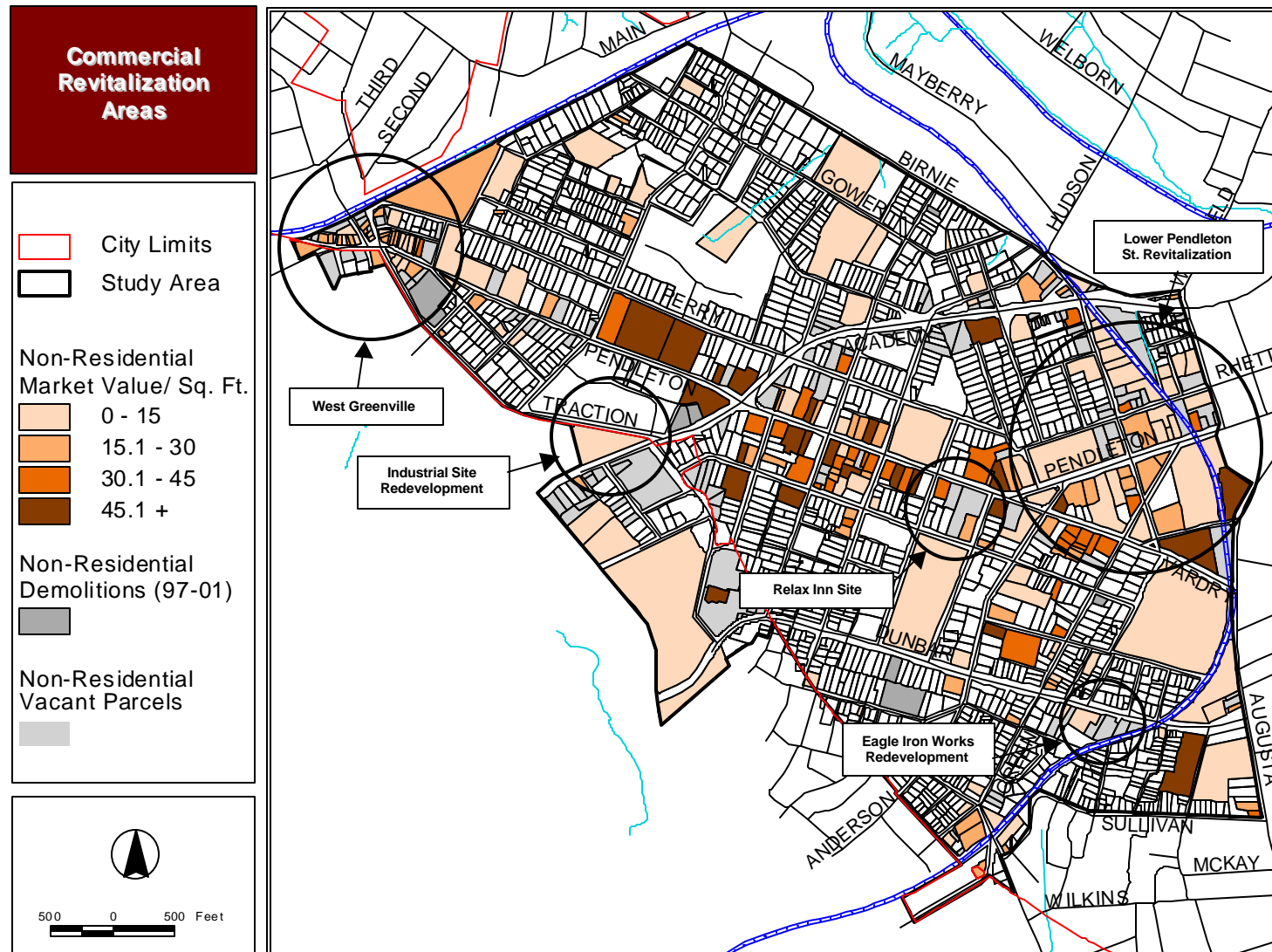
Former Leed's Lumber Site – Augusta Street

Several redevelopment concepts have been considered for the site, but no formal development proposal has been proposed at this time. A proposal to construct market rate housing or apartments on the site would support the City's efforts to attract new residential development to the Downtown. If the site's redevelopment gets stalled due to existing site and building conditions, the City may want to consider a partnership arrangement with the developer in order to spur redevelopment. If the developer's reuse plans support the revitalization of the downtown, perhaps the City could undertake site clearance activities in exchange for affordable housing set asides, greater mixed uses (i.e., neighborhood grocery, etc.) or public amenities such as urban open space.

Further west on Pendleton Street, from the West End to Vardry Street, the City will be undertaking a comprehensive streetscape improvement project. This multi-million dollar project will redefine this section of Pendleton Street and visually link it to the West End District. A number of frontage properties in this area are currently for sale or lease, and several are suitable for reuse. Of particular note is the "Rocks & Ropes" building on Pendleton Street, which is partially vacant and available for lease. This attractive brick building has floor space to accommodate a large restaurant or dinner theater. The bottom floor has been used as an indoor climbing center and has very high ceilings.



Potential Restaurant Site - Pendleton Street



b) Relax Inn Site

In recent years the Relax Inn property had been one of the City's worst crime areas, with chronic prostitution and drug-related activity. In 2001, the City acquired the property and razed the building to allow redevelopment to occur. Coupled with the demolition of the former Greenville Hospital site, these two sites have the potential to support a catalyst development that might spur other projects in the neighborhood.

To date the City has received two unsolicited development proposals for the site. While both proposals offered some benefits to the neighborhood, the City should seek a higher and better use of this important site. As a significant development site on the Pendleton Street corridor, the property has the potential to support more than a single use. With creative site design, higher quality uses, and attractive landscaping, this site could set a positive tone for the neighborhood.

At this time, the City should test the market to ascertain the level of private sector interest in redeveloping the site. While there is no identifiably strong market demand for this property, the following program identifies uses that are designed to respond to some of the study area's basic needs for job creation, public recreation, and neighborhood shopping and services. In order for these projects to occur, the City will have to take an active, development partner role to market this site to prospective retail and office developers. In addition, the City must make a significant public investment in the neighborhood in order to improve the area's livability and quality of life.



Proposed mixed-use development at former Relax Inn site

Development Program:

- Pharmacy/Neighborhood Grocery Store (12,000-15,000 SF)
- Lunch Restaurant
- Professional Office space/incubator concept (12,000 SF of office space)
- Neighborhood level retail space (coffee shop, convenience store, etc.), and
- Gateway Landscaping Along Road Frontage

c.) Eagle Iron Works Site

The Eagle Iron Works industrial site is located at the corner of Dunbar Street and Green Avenue. The property consists of a 38,262 SF building on 1.75 acres of land. From a land use perspective, this facility is not compatible with the surrounding neighborhood, which is primarily residential in character. Should the property become available in the future, it should be allowed to transition into other uses such as housing or neighborhood commercial services. Over the next five years, the City has plans to acquire 85 parcels, raze 74 existing structures and reconstruct 96 new affordably priced homes and rental units. In addition, 48 units of owner- and renter-occupied housing will be rehabilitated as part of this project.



Eagle Iron Works Property – Dunbar Street



Introduction of neighborhood commercial adjacent to Eagle Iron Works and construction of planted median strip on Dunbar Street

It is recommended that the Dunbar Street corridor be upgraded through a series of streetscape improvements to restore the residential dimensions of the roadway and to slow down traffic.

A planted median is possible on this street due to the ample width of the public right-of-way. An attractive boulevard would improve the appearance of the neighborhood and would support Greenville High School's expansion plans, as well as the City's Green Avenue improvement plans.

d.) Traction Street Industrial Site

The Traction Street industrial site consists of a 70,640 SF industrial/warehouse building located on 2.39 acres. While the building is located just over the City border, it is an important property and has redevelopment potential. The building's footprint covers much of the triangular-shaped lot that is formed by the intersection of Traction Street and Easley Bridge Road. The property is currently being marketed for sale at \$1.5 million. The industrial use of this site is in conflict with an adjacent public housing project owned by the Greenville Housing Authority. St Francis Hospital is also located across Easley Bridge Road.

The existing building appears to have outlived its useful life, however, the owner's asking price for the property suggests that the property may have some value. More than likely, the true value in the property is in the underlying real estate rather than the building itself, which appears to be in disrepair. If the building were not there, it is highly unlikely

that an industrial/warehouse use would locate at this site. The parcel's configuration is a confining factor for the current use and would pose challenges for other uses as well.

The site is more suitable for strip commercial, residential, or perhaps medical office development. With the expansion of St. Francis Hospital, there may be some complementary use that would benefit from this location. Easley Bridge Road is also a major east-west commuter corridor into the City and gets significant amount of daily traffic. Higher traffic volumes may be able to support convenience retail or service operations.

e.) West Greenville Commercial District

The West Greenville Commercial District is comprised of approximately 42 properties that form a small enclave of commercial storefronts. A high vacancy, limited parking, and a remote location impact the district. What was once the center of Greenville's textile mill villages, is now a struggling neighborhood commercial district. West Greenville possesses a charming scale of development that is reminiscent of an earlier era. The West Greenville Plaza shopping center does not have a lot of vacancy but the tenant mix is not strong and the property is underutilized, as is its off street parking.

The district is also home to a small "Shoeless" Joe Jackson museum, which commemorates the career of the famous baseball player from the early 1900s, and former Greenville resident. There are two parallel efforts underway to create a larger "Shoeless" Joe Jackson museum, but there is little local consensus on where the museum should be located, who will lead the effort, or how the project will be funded. As a result, this effort has been stalled by a lack of coordination and vision.

The condition of properties in the district varies from poor to good, but rents are very low, as is the demand for this space. A few motivated property owners have made improvements to their storefronts, but have not had much success in renting space to new businesses. The City has completed some streetscape improvements that make the district more attractive, but the area struggles from low traffic volumes, limited on-street



West Greenville Commercial District – Pendleton Street



Revitalized streetscape in West Greenville commercial district

parking, a remote location, functionally obsolescent buildings, and negative perceptions about safety and crime.

In general, the area does not appear to be ripe for redevelopment at this time. In order to improve conditions in the district, there needs to be a coordinated effort among property owners, business owners, and the City to renovate existing storefronts, negotiate shared agreements for off-street parking, and market the space to niche users. Vacant storefronts should be marketed to small entrepreneurs that are interested in serving the neighborhood or are in need of low cost space. Potential uses might include:

- Unique home furnishings and accessories store,
- Barber/hair stylist,
- Realty or insurance office,
- Artists-in-residence – (space for local artisans to produce and sell their goods),
- Small breakfast and lunch restaurant/coffee shop,
- Small jazz club/bar,
- Farmers market,
- Used CDs and bookstore, and
- Novelties and antiques

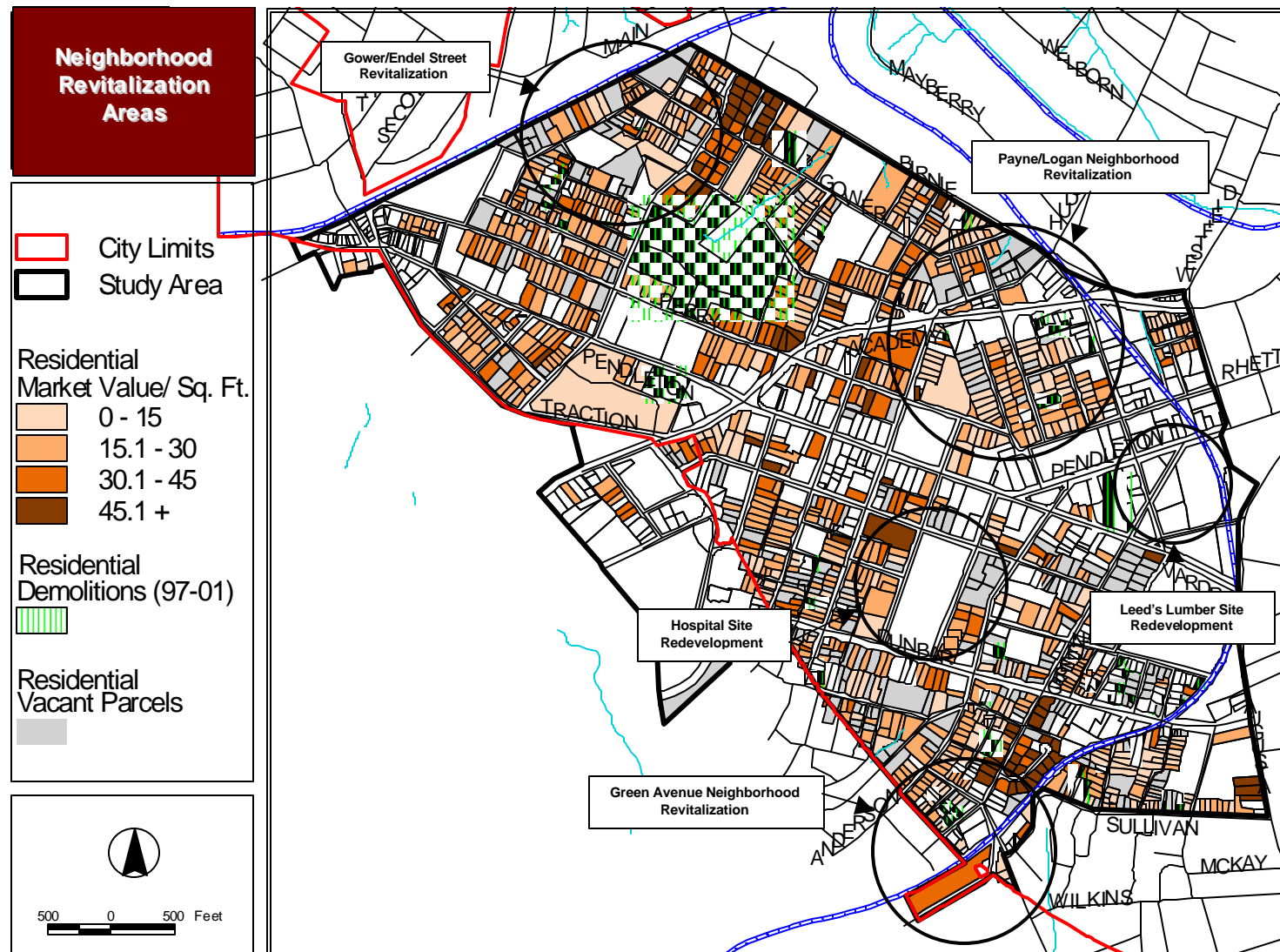
2. Neighborhood Revitalization Opportunities

a.) Former Leed's Lumber Site

As mentioned in the previous section, the former Leed's Lumber site is one of the prime redevelopment parcels in the Dunbar-West Greenville study area. Because of the parcel's size (4.2 acres), its proximity to the Downtown, and access to Interstate 85 via Augusta Street, the site appears to have some potential for an urban residential site (Map 5-2). A recent market study prepared for the City's Economic Development Department in 1998 by Clemson University identified a demand for downtown housing. The demographic groups targeted for urban living are typically younger urban professionals, singles, or young couples without children. In some urban centers, particularly those that offer urban amenities such as arts and entertainment, shopping, and restaurants, older households ("empty nesters") have been attracted to downtown residential developments.

b.) Payne/Logan Neighborhood Revitalization

The Payne/Logan neighborhood, including portions of Gower Street, Birnie Street and the eastern end of Academy Street, has a concentration of lower property values, vacant lots and building demolition sites. The neighborhood is impacted by a small industrial district located around N. Markley Street and a railroad line that defines the eastern edge of the area. This area should be targeted for homeowner and rental housing rehabilitation assistance.



c.) Hospital Redevelopment Site

In conjunction with this project, HNTB-LDR has prepared a conceptual plan for the redevelopment of the former Greenville Hospital Site. This site is viewed by the City as a prime redevelopment site and a potential catalyst for neighborhood revitalization. While the southern half of the 8.7-acre site is being developed for a mental health facility, the northern half has the potential to support new residential development.

In addition, an additional 2.6 acres of vacant land exists to the east of the property at the corner of Mallard Street and Arlington Avenue. The former Relax Inn site is located to the north of the hospital site. Despite the mental health facility that is being constructed on the Dunbar Street end of the site, the property is residential in character and is surrounded by single-family homes and a senior housing development on Memminger Street. One of the greatest needs of the study area is the introduction of new households - both owner and rental occupied. Equally important is the need for new market rate housing that will diversify the neighborhood's housing stock.

The following development program has been identified for the hospital site and the east block at the corner of Arlington Avenue and Mallard Street.

Proposed Development Program:

1.) General Hospital Site (+/- 5 acres)

- Apartment Style Residential (15-20 units per acre)
- Open Space (e.g., public green, walking paths, neighborhood playground)
- Mid-priced townhomes with garages (10-15 units per acre)
- Senior Assisted Housing

2.) Arlington/Mallard East Block (+/- 2.6 acres)

- Single-family homes on ¼ acre lots
- Bungalows on Small Lots

The development program emphasizes a mixture of market rate housing types and densities, including apartments, (15-20 units per acre), townhomes (10-15 units per acre), single-family homes (4-5 units per acre), and possibly senior assisted housing. The program also recognizes the need for recreation areas, open space, and pedestrian walkways to make a more livable residential environment. Although public housing is not part of the program, there is the potential that low income and elderly housing tax credits



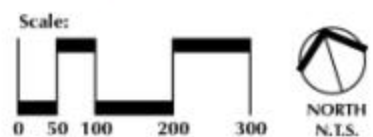
Proposed townhomes at former Greenville Hospital Site



Concept Development Plan

Dunbar - West Greenville Revitalization Study

RKG Associates
LDR International, an HNTB Company



could be used to maintain the affordability of some units. While this development program is considered speculative, given the neighborhood's past reputation, it is believed that a developer could be attracted to the site as long as the City remains a partner in the project. Initially, the City should issue a formal request for proposals that respond the City's development goals for the area. This should be done in concert with redevelopment planning for the Relax Inn site. Since the City owns the land, it is in a position to offer the land at a reduced price to drive down the sales price and lease rates charged to future residents.

d.) Green Avenue Neighborhood Revitalization

The City has recently completed a 5-year revitalization plan for the Green Avenue neighborhood. Under this plan, the City proposes to acquire 85 parcels, accompanied by the demolition of 74 structures and the construction of 96 market rate and affordable homes and the rehabilitation of 48 owner- and renter-occupied units. This project will be completed in two phases and will offer a variety of housing types to create ownership opportunities for a wider range of households. The estimated cost of the project is approximately \$12.2 million, which includes property acquisition, demolition, relocation, infrastructure improvements, housing rehabilitation, and home construction activities. The first phase of this project was completed in 1994 with the completion of the Genesis Court subdivision. This project resulted in the creation of 22 affordable single-family homes. This project will be funded over a number of years with the use of federal, state, and local funding sources.



Green Avenue Commercial District in transition



Redevelopment of Green Avenue commercial district into market rate and affordable housing

Similar to the general hospital site, the City would like to create a balance of market rate and affordable housing. In order to accomplish this the City will actively market the new housing to people of varying income levels and convene a consortium of local bankers, developers, nonprofit homebuilders, and will access other community resources.

The small commercial district on Green Avenue is not healthy and the grocery store and BP Station will soon change hands, due to the owner's plans to sell the properties. The long-term viability of these establishments is questionable due to low traffic counts and

limited access and visibility. This is not a natural commercial location and seems better suited for residential development.

e.) West Greenville Neighborhood Revitalization

The Joe Louis area is one of the most severely impacted areas in West Greenville, and its poor housing conditions reflect a long period of disinvestment and decline. There are a number of vacant parcels that offer infill development opportunities, as several homes have been removed through demolition and properties have been abandoned over the years.

The City recently completed a master plan for the West Greenville neighborhood that targets the Joe Louis area, as well as several other declining areas of West Greenville. Similar to Green Avenue, the City will initiate a multi-year neighborhood revitalization project in order to address the most severe housing conditions.

C. SHORT-TERM IMPLEMENTATION PRIORITIES

In addition to the revitalization areas and opportunities described above, the City of Greenville should consider a number of other implementation actions that will move the study area closer to revitalization. The following actions are considered short-term implementation priorities that can be implemented over the next one to five years, and are designed to address some of the area's fundamental needs for new private investment, employment and business creation, new housing development, and public infrastructure improvements.

1. Initiate Developer Solicitation Process for Site Redevelopment

The City of Greenville should actively solicit private development proposals for both the former Relax Inn and Greenville Hospital sites off Pendleton Street. However, before this occurs, the City must first decide if the properties will be redeveloped as one large, mixed-use project, or as two separate, unrelated developments. If possible, the two properties should be packaged in the same development solicitation, giving the developer more flexibility in meeting the City's redevelopment objectives. In order to do this, the City may have to master plan the entire block to optimize the redevelopment of the Relax Inn site.

While there are several methods for soliciting developers, the following approach is recommended:

- a.) Prepare Development Prospectus – The City must prepare developers' prospectus containing information about the subject properties and the City's redevelopment objectives. Information about the property should include:
- Base map or conceptual site plan of the properties showing the location of existing driveways and access points, parking spaces, building footprints and other structures,
 - Lot acreage or square feet,
 - Easement and other right of way locations,

- Utility locations,
- Identification of surrounding land uses,
- A purpose and scope statement defining the city's goals for the site(s),
- Description of the site and its history, and
- Findings of environmental site assessment (if necessary).

The prospectus should also contain information about the City and County's growth trends, including population, development activity, and retail spending. Any public infrastructure investments, such as the Pendleton streetscape improvements or other private investments in the neighborhood should be highlighted.

The City should also establish some minimum standards for redevelopment that must be met by the developers in order for their proposals to be considered. While it would not serve the City well to be too prescriptive and restrict the options of developers, the City should articulate the quality and type of development it would like to see occur. Providing developers with illustrations or sketches of what the redeveloped sites might look like is one way to convey the quality of development and site design desired by the City. While the developer will propose his own architectural styles and land use mix, the City should establish some basic limits on building massing and unit density as well as landscaping and screening treatments to ensure that the development complements the scale and character of the surrounding neighborhood. However, because this is a redevelopment project in a transitional neighborhood, the City should remain open to creative site planning and development approaches. Ultimately, the terms and conditions of the project will be negotiated between the developer and the City on mutually agreeable terms.

- b.) Project Development Information - The developer should provide the city with a detailed description of the proposed project and how it will or will not meet the city's design, land use, tax base, and economic development objectives. The developer shall be required to provide a conceptual plan of the project, which illustrates how the site will be used, showing the location of proposed buildings, associated parking facilities, site landscaping, and orientation to frontage road and access points. The plan should also address the market orientation of the project and offer data that support the project. Because of the neighborhood's low spending potential and unproven track record, the City should recognize the speculative nature of the project and the potential need for additional subsidies to make the project work.

2. Create Public Incentive Package for New Business Start-ups

The City should create an incentive package to attract new business start-ups to the Dunbar-West Greenville study area. The following incentives should be reserved for either new businesses that locate in the study area or existing businesses that make significant investments in their property or in the hiring of new employees. The City should offer incentives to certain types of businesses that diversify the area's employment and business base and serve the needs of local households and residents. The purpose of this program should be to attract new businesses and support existing businesses that enhance the quality of life in the Dunbar-West Greenville area.

- a.) Graduated Abatement of Business License Fees – For the first five years of operation, eligible businesses could be granted a waiver of business license fees on a graduated scale. In year one, businesses would receive a 100 percent waiver of their business license fees. In subsequent years, the fee would increase by increments of 20 percent, and by the end of year 5 the business would then be expected to pay their full business license fee of 100 percent. This incentive would allow small businesses to reduce their operating costs in the early years and increase their payments as cash flows become more predictable. The City currently offers retail business license abatement in the downtown and in the eastern portion of the Dunbar-West Greenville study area. The City is currently working to expand its business license abatement program.
- b.) Provide Advertising Matching Grants – The City could create a small program to subsidize the advertising and promotion of eligible businesses in the Dunbar-West Greenville area. Perhaps small grants in the range of \$1,000 to \$2,500 grant could be awarded to business organizations and marketing campaigns for the area using a CDC. The grants should be provided to businesses with formal business plans and a strategy for using the funds. These grants should be matched with private funds and used to place print and radio advertisements or to run other promotions. Recipients of these grants could be required to include a “tag line” for the Dunbar-West Greenville district in their ads creating a “co-marketing” strategy for the area that promotes awareness and interest in the district.
- c.) Business Plan Development and Marketing Assistance – Many small business owners and entrepreneurs lack the expertise to develop sound business plans and marketing strategies for their businesses. Providing these services to eligible business owners would improve the operation of their businesses, establish realistic financial goals, and identify potential markets for their goods and services. The City will ensure that business owners and entrepreneurs are aware of these types of services, which are provided locally through the Small Business Development Center at no cost. Other communities have used Service Corps of Retired Executives (SCORE) volunteers to counsel small entrepreneurs.
- d.) Provide Façade Rehabilitation Grants/Loans – The City could provide façade improvement grants and loans to eligible businesses that need to improve the appearance of their storefront or building façade using the Pleasantburg Program as a model.
- e.) Development Review and Permitting Assistance – The City should promote awareness of all necessary zoning, site plan, design review, building permit, and inspections necessary to locate or expand their businesses in the Dunbar-West Greenville area. Most people are not familiar with all the permitting requirements associated with new development or substantial rehabilitation. Assisting people through the city’s approval process would be very helpful and would help small business save time and money during the critical start-up or expansion period.

Once the incentive package is complete, the City should undertake an aggressive effort to market the program to prospective businesses. A number of approaches can be employed to market the program such as:

- a small business development fair,

- direct marketing to commercial real estate brokers,
- direct marketing to existing study area businesses,
- direct marketing to the Small Business Development Center,
- advertisements in the local newspaper, and
- postings at City Hall and in vacant storefront windows.

3. Create Public Incentive Package for New Homeownership, Infill Development, and Substantial Rehabilitation Projects

In order to entice individuals and families to purchase existing or build new homes in the Dunbar-West Greenville area and to encourage investors to upgrade their properties the City should consider offering a variety of incentives. The purpose of these programs would be to increase the rate of homeownership in the area, encourage new housing development on vacant infill parcels, and entice rental property owners to rehabilitate rental properties.

- a.) Property Tax Relief Through “Bailey Bill” Expansion - § 4-9-195 of the South Carolina Code of Laws allows for a property tax incentive for income producing properties that provide accommodation for low and moderate income residents. This incentive allows for a two-year property tax freeze with a subsequent tax reduction equal to 40% of the taxable value after rehabilitation. The incentive is based on a rehabilitation that exceeds the appraised value of the property. The City has previously taken advantage of the bill through historic rehabilitation and should advance the remaining portion of the bill.
- b.) Create Historic District Designation for Portions of Study Area – An incentive geared more toward home ownership opportunities would revolve around designating part of the area as a local historic district, thus qualifying owner occupied rehabilitations of houses for a tax incentive similar to the one described above. The principal difference is that the renovations will have to be reviewed by the Department of Archives and History. For owner occupied housing, the renovations need only equal fifty-percent or more of the value of the house. Because renovations that qualify under the Secretary of the Interior’s Standards for Rehabilitation may cost a property owner more, the City of Greenville might consider creating a special vendor program in conjunction with the UNEDC or other CDC that would offer owners in this district special discounts for renovation products. The packaging and bidding of multiple rehabilitation projects under one contract can reduce overall construction costs due to economies of scale.
- c.) Housing Rehabilitation Revolving Loan Program – The City should create a program that offers housing rehabilitation assistance to eligible homeowners within the study area. Typically, such programs assist property owners in targeted areas that meet HUD limits for low and moderate income. While assisting low and moderate-income homeowners should be a priority of this program, additional program funds should be made available to property owners with incomes greater than 100 percent of median household income. For those owners above the area’s median income, the City may want to offer low interest loans or require matching funds or sweat equity. Lower income owners may be offered grants with no matching requirements. The purpose of this program would be to

slowly improve the housing stock in the study area and at the same time provide an incentive for homeownership.

- d.) Land Banking Program – Land banking would allow the City, private individuals, developers to donate land to the bank and withdraw other land as needed for property assembly. This would allow property owners to consolidate land for a more sizable development. The City would underwrite much of the handling costs and would facilitate the program. The developers would be required to develop the property within reasonable standards to provide home ownership opportunities for low and moderate-income residents.

4. Strengthen the Role of Community Development Corporations in Neighborhood Revitalization

The City has experienced mixed results in the past in carrying out projects through locally based economic development corporations (EDCs). The GLDC and the UNEDC are two such organizations primarily engaged in projects related to job creation and business development and are less focused on community development issues such as: housing rehabilitation, affordable housing development, neighborhood revitalization, community policing, and human service needs. Currently, there is a gap between the types of neighborhood projects undertaken by the City and the grassroots needs of communities like the Dunbar-West Greenville area. It is recommended that the City either broaden the organizational mission of the UNEDC in order to address these community development needs, or create a new CDC to fill this void.

As a first option, the City should reexamine the UNEDC to determine if the organization, its executive director, and board of directors are capable of adopting an expanded mission and a new set of responsibilities. This group is funded primarily through City appropriations and may have to be restructured or reconstituted to meet the needs of the community's high-risk neighborhoods. While the City may benefit from having two separate non-profit development corporations in the future, there are financial benefits to be gained from strengthening or expanding existing organizations as a first option.

The types of issues and projects that the CDC would be involved in would include:

- Acting as a liaison between the neighborhood associations and the City on large revitalization projects,
- Working with neighborhood associations in identifying problems and special project needs,
- Proposing neighborhood improvement projects to the City for future implementation,
- Raising funds to undertake small neighborhood improvement projects,
- Organizing neighborhood clean-up and crime watch programs,
- Undertaking affordable housing projects on infill sites,
- Organizing and implementing neighborhood events and promotional efforts,
- Assisting homeowners in obtaining rehabilitation grants and loans from the City, and
- Working with local churches and human service providers to meet the needs of local households.

5. Adopt a Public Funding Strategy for Major Improvements

Given the significant public infrastructure needs of the Dunbar-West Greenville study area, it is likely that public funding sources will be needed in the future. There are several federal programs that provide competitive grants for development projects.

- a) HUD Section 108 Loan Guarantees – Section 108, the loan guarantee provision of the Community Development Block Grant program, is one of the most potent and important public investment tools that HUD offers to local governments. However, Section 108 loans are not risk free: local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations (up to the loan amount) as security for the loan. HUD guarantees repayment of notes issued by local governments to raise capital for approved projects. The guarantee represents the full faith and credit of the United States Government, providing private investors with enough security that the participating local governments can borrow funds at lower interest rates comparable to those that the Government commands when borrowing through the U.S. Treasury.

The guaranteed amount must not exceed five times the community's (or State's) most recent CDBG allocation. The maximum loan term is 20 years. Loan guarantees generally require security beyond the pledge of CDBG funds, which HUD and the borrower negotiate. Loan commitments are often paired with Economic Development Initiative (EDI) grants, which can be used to pay predevelopment costs of a Section 108-funded project, as a loan loss reserve (in lieu of CDBG funds), to write-down interest rates, or establish a debt service reserve.

Grantees must use at least 70 percent of loan funds for activities in which either the majority of the individuals who benefit (from the jobs created, for example, or the housing units rehabilitated) or the majority of the residents of the neighborhood that benefits from the project are low or moderate incomes persons. Like other CDBG assistance, Section 108 loan guarantees must be used for activities that meet national CDBG objectives. Although funded projects generate enough cash flow to support loan payments, the 20-year term means that projects do not necessarily need to support repayment immediately.

Eligible activities include property acquisition; rehabilitation of publicly owned property; housing rehabilitation; economic development activities; acquisition, construction, reconstruction, or installation of public facilities; and for public works and other site improvements. In recent years, Section 108 loans have been most often used to encourage economic development, either through public physical development projects (such as acquiring a failed shopping center for rehabilitation or assembling land for a new hotel or factory) or through loans to private firms and individuals (such as providing below-market financing for the expansion of an existing firm).¹

¹ US Department of Housing and Urban Development program website.

- b.) Economic Development Initiative Grants (EDI) - HUD desires to see EDI and Section 108 funds used to finance projects and activities that will provide near-term results and demonstrable economic benefits, such as job creation and increases in the local tax base.

The cash flow generated by an economic development project may be expected to be relatively "thin" in the early stages of the project, i.e. potentially insufficient cash flows to meet operating expenses and debt service obligations. The EDI grant can make it possible for reserves to be established in a way that enhances the economic feasibility of the project.

The use of EDI grant funds may be structured in appropriate cases so as to improve the likelihood that project-generated cash flow will be sufficient to cover debt service on the Section 108 loan and directly to enhance the guaranteed loan. One technique for accomplishing this approach is over-collateralization of the Section 108 loan. An example is the creation of a loan pool funded with Section 108 and EDI grant funds. The community would make loans to various businesses from the combined pool at an interest rate equal to or greater than the rate on the Section 108 loan. The total loan portfolio would be pledged to the repayment of the Section 108 loan.

The EDI grant can be used to cover the cost of providing credit enhancements. An example of how the EDI grant can be used for this purpose is by using the grant funds to cover the cost of a standby letter of credit, issued in favor of HUD. This letter of credit will be available to fund amounts due on the Section 108 loan if other sources fail to materialize and will, thus, serve to protect the public entity's future CDBG funds.

EDI grant funds could serve to "buy down" the interest rate up front, or make full or partial interest payments, allowing the businesses to be financially viable in the early start-up period not otherwise possible with Section 108 alone. This strategy would be particularly useful where a community was undertaking a large commercial/retail project in a distressed neighborhood to act as a catalyst for other development in the area.²

- c.) Brownfield Economic Development Initiative (BEDI) - BEDI funds are used as the stimulus for local governments and private sector parties to commence redevelopment or continue phased redevelopment efforts on brownfields sites where either perceived or actual environmental conditions are known and redevelopment plans exist. HUD emphasizes the use of BEDI and Section 108 Loan Guarantee funds to finance projects and activities that will provide near-term results and demonstrable economic benefits, such as job creation and increases in the local tax base. HUD does not encourage applications whose scope is limited only to site acquisition and/or remediation (i.e., land banking), where there is no immediately planned redevelopment. BEDI funds must be used to enhance the security or to improve the viability of a project financed with a new Section 108 guaranteed loan commitment.

BEDI Purpose:

² Ibid.

The purpose of the BEDI is to assist public entities in the redevelopment of brownfields and enhance the security or improve the viability of a project financed with Section 108 guaranteed loan authority. BEDI grants must be used in conjunction with a new Section 108 guaranteed loan commitment.³

- d.) Issuance of General Obligation Bonds (GO) – Depending on the project need, it may be necessary for the City to issue general obligation bonds to finance public improvements. General obligation bonds allow the City to borrow money through the sale of municipal bonds, backed by the full faith and credit of the community and its taxing authority. Typically, such bonds come with a 10 to 20 year term and must be paid back in annual installments from annual budget appropriations. Communities in South Carolina are limited to how much they can borrow at any one time, and prudent fiscal planning will determine how much additional debt the City can incur in any given year. GO bonds are often used to finance capital projects such as new school construction, road construction, and public facility projects.

The following types of projects may require public financing:

- Acquisition of land for land banking of affordable housing parcels,
- Continuation of streetscape improvements efforts,
- Assemblage of land parcels for a public-private development project,
- Demolition of buildings and site preparation for redevelopment projects,
- Provision of rehabilitation loans

6. Document Study Area History and Historical Resources

The Dunbar-West Greenville area possesses a wealth of local history and historical resources, and a concerted effort is needed in order to document, preserve, and communicate this history. The City of Greenville has been successful with previous historic district designations, and many of these areas are now recognized as some of the City's finest neighborhoods.

A research effort should be undertaken by the community and market study steering committee, with the support and assistance of neighborhood residents and local historians, to begin the formal process of documenting the historical resources, references, and written history of the Dunbar-West Greenville area. This history is something that the community, particularly neighborhood residents, can be proud of and it should be promoted.

The designation of a Dunbar-West Greenville historic district will also create opportunities for property owners to protect their historic homes and architecturally significant buildings. The use of federal historic tax credits, the new state income tax credit, and the local property tax credit can be combined with rehabilitation grants/loans provided by the City to upgrade the condition of neighborhood properties.

These programs should be actively promoted to new and existing homeowners through a clear/concise marketing program. The CDC could play an instrumental role in marketing these

³ Ibid.

initiatives to the community, sponsoring educational programs, and coordinating preservation and rehabilitation efforts in the community.

7. Establish Dunbar-West Greenville Marketing and Public Relations Campaign

The market study steering committee, the neighborhood associations, and study area residents must begin to aggressively counteract negative perceptions and media stories in order to begin changing local opinions about the Dunbar-West Greenville area. Such an effort is necessary in order to restore the community's confidence in this area and to encourage others to make investments, purchase homes, open businesses, and create new jobs.

It is recommended that a professional public relations campaign be developed to communicate positive stories, images, and to promote the area as an "up and coming" neighborhood. It is also recommended that neighborhood residents organize and stage an annual celebration that would promote the area, its history, residents, businesses, and new found image and attitude.

D. IMPLEMENTATION STRATEGY

The Dunbar-West Greenville implementation strategy identifies a number of priority actions that the City should consider as it seeks to revitalize the study area. The implementation matrix that follows contains dozens of actions under six major categories including: 1) Commercial Revitalization, 2) Neighborhood Renewal, 3) Community Involvement and Promotion, 4) Circulation, Parking & Public Transit, 5) Funding & Incentives, and 6) Regulatory.